

ANNUAL REPORT

2020



JM AB

OPERATIONS

- 1 THE YEAR IN BRIEF
- 2 CEO'S COMMENTS
- 5 JM AS AN INVESTMENT
- 6 Strong customer focus**
- 7 BUSINESS INTELLIGENCE AND MACRO
- 9 MARKET OVERVIEW
- 12 New Construction – Advantages**
- 13 JM'S OFFER
- 18 LARGEST PROJECTS
- 21 Profitability**
- 22 BUSINESS CONCEPT, VISION AND STRATEGY
- 23 TARGETS AND OUTCOME
- 24 VALUE GENERATION IN JM'S CORE BUSINESS
- 27 RESIDENTIAL BUILDING RIGHTS
- 29 PROJECT PROPERTIES
- 30 STRUCTURED PROJECT DEVELOPMENT
- 32 RISKS AND RISK MANAGEMENT
- 38 Sustainability**
- 39 SUSTAINABLE URBAN PLANNING
- 48 EMPLOYEES
- 54 SUPPLIERS
- 56 BUSINESS ETHICS

FINANCIAL INFORMATION

Group according to segment reporting:

- 58 BUSINESS SEGMENTS
- 63 INCOME STATEMENT
- 64 BALANCE SHEET
- 66 CASH FLOW STATEMENT
- 68 CHANGES IN EQUITY
- 69 QUARTERLY OVERVIEW
- 70 FIVE-YEAR OVERVIEW
- 72 BUSINESS SEGMENTS QUARTERLY OVERVIEW
- 73 DEFINITIONS AND GLOSSARY

Annual Report documents according to the Annual Accounts Act

- 77 BOARD OF DIRECTORS' REPORT

Group according to IFRS:

- 84 INCOME STATEMENT
- 85 BALANCE SHEET
- 86 CHANGES IN EQUITY
- 87 CASH FLOW STATEMENT
- 88 NOTES – GROUP

Parent company:

- 109 INCOME STATEMENT
- 110 BALANCE SHEET
- 111 CHANGES IN EQUITY
- 112 CASH FLOW STATEMENT
- 113 NOTES – PARENT COMPANY
- 117 PROPOSED DISPOSITION OF EARNINGS
- 118 AUDITOR'S REPORT

SHAREHOLDER INFORMATION

- 122 CORPORATE GOVERNANCE REPORT
- 126 BOARD OF DIRECTORS, CEO AND AUDITORS
- 132 EXECUTIVE MANAGEMENT
- 134 THE JM SHARE
- 136 NOTICE OF ANNUAL GENERAL MEETING AND FINANCIAL CALENDAR
- 137 About the Sustainability report**
- 138 GLOBAL REPORTING INITIATIVE – GRI
- 141 GRI INDEX
- 144 GLOBAL COMPACT ADDRESSES

● JM offices



JM is one of the leading developers of housing and residential areas in the Nordic region

Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university cities in Sweden, Norway and Finland.

JM should promote long-term sustainability work in all its operations.

Annual sales total approximately SEK 15 billion, and the company has around 2,500 employees. JM AB is a public limited company listed on Nasdaq Stockholm, Large Cap segment.

GEOGRAPHIC DISTRIBUTION OF REVENUE, %



- Stockholm, 47 % (45)
- Sweden excl. Stockholm, 28 % (28)
- Norway and Finland, 25 % (27)

Figures from 2019 are in parentheses

This Annual Report is a translation of the original text in Swedish, which is the official version.



We are convinced that society will progress where people are happy and feel good. Continuing to develop sustainable life environments is what we do.

Just like in all our projects, it all begins with a piece of land that we have developed. Not for our sake. But for the people who will live and work there. Because we know that how we live affects our quality of life.

We are laying the foundation for a better life.
It is what we did yesterday, it is what we are doing today, and it is what we will do tomorrow.

Strong sales and stable level of housing starts

Revenue amounted to SEK 15,388m (15,692), and revenue excluding JM Construction, Business area Construction (under closure), amounted to SEK 15,232m (15,438).

Operating profit amounted to SEK 2,028m (2,008)¹⁾. The operating margin increased to 13.2 percent (12.8). Operating profit excluding JM Construction, Business area Construction, increased to SEK 2,051m (2,243) and the operating margin to 13.5 percent (14.5).

Gains from the sale of completed rental unit properties of SEK 191m (276) are included in the operating profit.

Profit before tax amounted to SEK 1,955m (1,928). Profit after tax increased to SEK 1,575m (1,570).

Return on equity for the past twelve months decreased to 20.8 percent (22.2). Earnings per share during the year amounted to SEK 22.50 (22.50).

Consolidated cash flow including net investment in properties was SEK 1,715m (1,291).

The number of residential units sold increased to 4,026 (3,595) and housing starts amounted to 3,199 (3,269).

Surplus value of development properties was SEK 6.5bn (6.7).

The Board of Directors proposes SEK 12.75 (12.50) in dividend for 2020.

The Board of Directors proposes a mandate to buy back own shares.

The Board of Directors decided on amended financial targets.

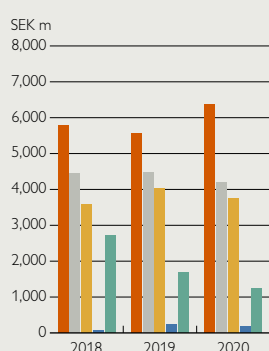
¹⁾ Profit includes the one-off cost for the discontinuation of the housing operations (Business area Construction) in the subsidiary JM Entreprenad AB of SEK –180m reported during the first quarter 2019.

Unless otherwise specified, the amounts and comments on pages 23, 63–76 are based on JM's segment reporting.

For an overview of the difference between segment reporting and IFRS, see Segment reporting on page 91.

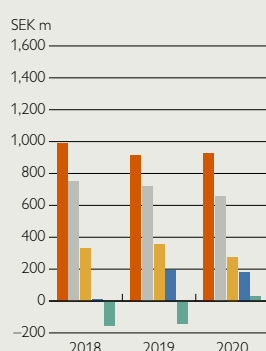
For definitions, see pages 73–76.

REVENUE BY BUSINESS SEGMENT



■ JM Residential Stockholm
 ■ JM International
 ■ JM Construction
 ■ JM Residential Sweden
 ■ JM Property Development

OPERATING PROFIT BY BUSINESS SEGMENT



ACCORDING TO SEGMENT REPORTING

SEK m	2020	2019	2018
Revenue	15,388	15,692	16,161
Operating profit	2,028	2,008	1,886
Operating margin, %	13.2	12.8	11.7
Profit before tax	1,955	1,928	1,817
Cash flow from operating activities	1,715	1,291	–473
Return on equity, %	20.8	22.2	22.2
Equity/assets ratio, %	47	42	41
Earnings per share, SEK	22.50	22.50	20.60
Number of residential units sold	4,026	3,595	2,463
Number of housing starts	3,199	3,269	3,135
Number of residential units in current production	7,976	7,813	7,835
Revenue according to IFRS	16,291	15,605	15,680
Operating profit according to IFRS	2,018	1,982	1,876
Earnings per share according to IFRS, SEK	22.00	21.90	20.40

A strong end to a special year

Strong sales and a stable level of housing starts, despite the pandemic.
In 2020, JM has proven that it is highly adaptable.

2020 was a special year. After the second quarter, during which we noted caution among our customers due to the coronavirus pandemic, 2020 turned into a year with strong demand and sales. Our housing production progressed according to plan, and JM has proven that it is highly adaptable.

IMPACT OF THE PANDEMIC

The effects of the pandemic created uncertainty during primarily the first half of 2020, but during the second half we observed a clear improvement in demand. Despite the pandemic, JM had strong sales and a good level of housing starts. Our production has progressed without any major impact or obstacles in the form of disrupted supply lines.

In many respects, the pandemic has introduced and sped up a digital transition, in particular in our contact with our customers since home tours largely shifted to digital channels.

JM's employees demonstrated during the rapid transition that was caused by the pandemic that they are highly accountable and adaptable. This applies not only to employees who worked remotely from their homes but also those who continued to work at our construction sites, where we implemented a number of measures to reduce the risks of spreading COVID-19. JM has demonstrated so far that it has been highly capable of adapting its operations during the pandemic, not only in production but also in activities and processes such as skills development and recruiting, where we transitioned with the help of digital tools. Read more on page 48 about the pandemic's impact on our organization.

Even though we have so far experienced very limited disruptions to both staffing and supplier chains, we continue to be prepared for a deterioration due to the pandemic.

After the Annual General Meeting resolved in March 2020 to withhold half of the planned dividend for 2019 due to the uncertainty and elevated risks due to the pandemic, an Extraordinary General Meeting resolved in November to distribute this half as well.

SUCCESSFUL SALES AND SATISFIED CUSTOMERS

After a cautious market in the second quarter due to the pandemic, demand strengthened considerably during the year. With more than 4,000 sold residential units, of which 26 percent in Norway and Finland, JM sold 12 percent more residential units

in 2020 than in the previous year. The percentage of reserved and sold residential units in relation to current production was high in all our markets. In Norway and Finland, the housing market rebounded strongly at the end of the year after having been harder hit than Sweden by lockdowns due to the pandemic. In 2020, we established JM on a new submarket in Norway, and we are now developing housing projects in Trondheim as well. Our business in Finland is also developing in a positive direction, with stable profit development and strong interest from customers in JM's residential units.

There were around 3,200 housing starts during the year, which is in line with last year. Assuming that the market continues to be positive, we make the assessment that there are good possibilities for increasing the number of housing starts in 2021.

Interest from customers in our freehold apartments in Sweden continues to be strong; in 2020 we sold 174 residential units with this tenure, and at the end of the year we had 544 freehold apartments in production.

“JM has demonstrated that it is highly capable of adapting its operations during the pandemic.”

JM's long-term investment in rental units continues. In 2020, we formed a joint venture with the Swedish Foundation for Strategic Research and the Knowledge Foundation for the long-term development and management of rental units with leasehold rights.

In 2020, we took several important steps within JM in terms of digitalizing our offer, which also was very effective for meeting the needs that arose during the pandemic. Our customers can not only take digital tours of our homes, both live and pre-recorded, but also reserve their home and sign contracts digitally. Customers can also make their interior choices digitally.

JM has commissioned an independent customer satisfaction survey every year since 2009, and, when compared to many other housing developers, JM is the only one that has been in the top three every year. 2020 was no exception, and given the challenges introduced this year due to the pandemic, it is extra rewarding that our customers have become even more satisfied than last year.

“Our digital initiatives have meshed well with the demands to transition and the need for more digital solutions.”



HIGHLY RANKED SUSTAINABILITY WORK

For JM, sustainable urban planning means economic, social and environmental accountability.

An important step toward achieving our ambitious targets on emissions close to zero by 2030 is the test project that we introduced in 2020 with more climate-friendly concrete. JM is the first to test this concrete on a larger scale. Read more about concrete with lower emissions on page 20.

Since 2018, all JM residential units that enter the pre-construction phase are certified in accordance with the Nordic Swan Ecolabel. In 2020, customers in Sweden, Norway and Finland moved into Swan Ecolabel residential units. The work with the Swan Ecolabel is now integrated into the processes and methods of working that JM applies in its development and production of residential units.

JM's first logistics center was established in Järfälla in 2020, where we are using fully renewable fuel for transports, which results in less carbon dioxide emissions. The number of transports to JM's construction sites has decreased by 83 percent in the pilot projects at the same time as we ensure that need-based deliveries arrive at our construction sites with high delivery precision. We also see positive effects such as less administration in housing production and effective return flows of load carriers.

In 2020, we introduced a new method at our construction sites for ongoing controls of environmental work with a greater focus on in particular safety according to certain parameters. Research on the method shows that good results from these safety measurements have a high correlation with low accident rates. We also introduced stricter safety routines during the year related to crane lifting. Read more about our work on the work environment on pages 51–53.

JM has been working consistently and systematically in recent years to attract more women to the building industry and JM. When we started four years ago, approximately one percent of JM's skilled workers were female. Since then, we have conducted an apprenticeship program every year for skilled female workers. Today, seven percent of JM's skilled workers are female, and we believe that the conditions are in place for us to achieve our goal of 30 percent by 2030.

Another important in-house initiative is JM's Customer School, which was launched during the past year. Customer School helps us to ensure that all employees understand how

they contribute to helping JM create satisfied customers and succeed with our strategic goal of being customers' first choice. Read more about how JM develops sustainable competence on pages 48–53.

During the past year, JM ranked high on the 2020 list of Sustainable Companies for the category consumer goods, placing second. It is rewarding to see that JM's concrete and structured sustainability work is being noticed by leading sustainability analyses even outside of our industry.

“JM's first logistics center decreased the number of transports by 83 percent.”

GOOD CONDITIONS AND STRONG POSITION

The pandemic strengthened the effects of our launched digital initiatives and thus supported our business in a positive manner. I am very pleased and proud about JM's performance, and the performance of all of JM's dedicated employees, during the past year in light of its very special circumstances.

We are well-positioned: we have a good project portfolio that is continuously developed for the housing of the future at the same time as our strong financial position allows us freedom of action. With the goal of further supporting balanced growth in the business and earnings per share, we have also updated our financial targets for 2021; see page 82.

The balance sheet enables both growth in JM's business, a stable dividend, and a resumed mandate to buy back shares. The underlying and long-term conditions continue to be good for strong development in our business, which also means that the Board of Directors is proposing to raise the dividend for 2020.

Johan Skoglund
President and CEO



Vestre Billingstad between Sandvika and Asker just outside of Oslo is being transformed into an attractive urban environment, where JM's Bergerløkka will consist of around 570 residential units of varying sizes. Bergerløkka offers proximity to both the Oslo fjord and the Skaugumsåsen viewpoint in an area rich with hiking trails and wonderful nature getaways.



Älvsjöstaden is a new bustling district in Stockholm with an attractive urban-nature mix and walking distance to the commuter train to the city. JM is constructing four blocks of apartment buildings next to oak forests and leafy parks, and one of the buildings will be one of the highest in Älvsjöstaden with expansive views of southern Stockholm.

With a view of the beautiful park Pildammsparken in the heart of Malmö, JM's building Operan and Operetten will feature bright apartments with generous balconies and shopping right around the corner. The block will include two connected residential buildings that have five to eight floors and apartments of varying sizes.

JM as an investment

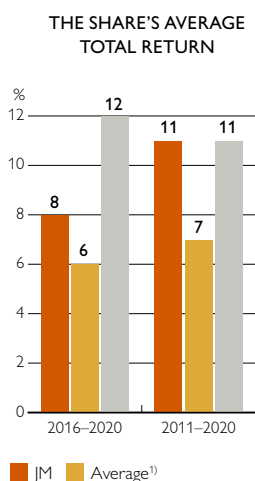
The ambition is to give shareholders a higher total return over time than other companies with a similar risk profile and business activities.

JM develops residential units and sustainable living environments in large growth areas in Sweden, Norway and Finland. The ambition is to give JM's shareholders a higher total return over time than other companies with a similar risk profile and business activities. The shareholders in JM are to be given the opportunity to receive good, long-term total return from well-balanced growth in the business in terms of risk, with optimal utilization of

risk capital over the business cycle and increasing value transfers to shareholders with a focus on earnings per share and dividends per share. This is achieved through high operational capacity, good risk control, financial strength and an attractive building rights portfolio that has great value potential and is continuously refined and updated.

GOOD LONG-TERM TOTAL RETURN

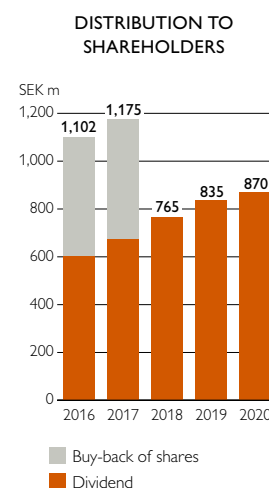
Over the past five years, JM has had an average total return of 8 percent. The share is volatile, but it has created good total return in the long run. Over the past ten years, the total return has been 11 percent, compared to 7 percent for the average for comparable companies.



¹⁾ Besqab*, Bonava*, NCC, PEAB, Selvaag*, Skanska, Veidekke, YIT
* not 2011-2020

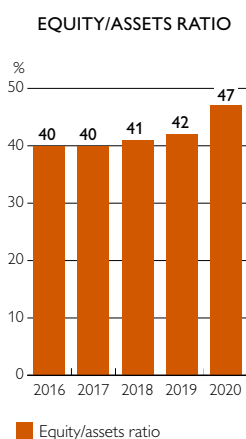
INCREASING DIVIDEND OVER LONG PERIOD OF TIME

JM's dividend has increased over a long period of time combined with multiple capital distributions over the years. Value transfers to the shareholders amounted over the past ten years to SEK 9.2bn, of which SEK 6.4bn through dividends and SEK 2.9bn through acquisition of own shares (buy-back).



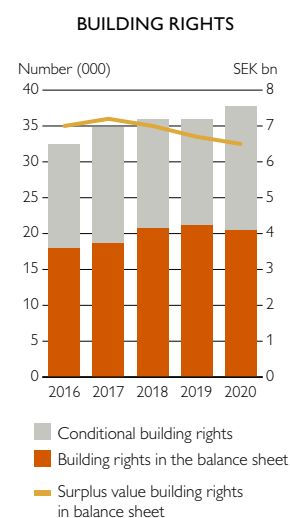
STRONG BALANCE SHEET

JM has a strong financial position with an equity/assets ratio of 40-47 percent (excluding surplus values) over the past five years. A strong equity/assets ratio is a prerequisite for stable and cost-effective financing of ongoing housing production. At the same time, the risk capital including the surplus values should be optimized over the economic cycle.



BUILDING RIGHTS PORTFOLIO WITH GREAT VALUE POTENTIAL

JM has 37,800 building rights for future project development, of which 20,400 are reported in the balance sheet. The surplus value compared to the carrying amount of the building rights in the balance sheet amounts to SEK 6.5bn based on external assessment. The surplus value is part of JM's risk capital and indicates future profit potential.



FOCUSING ON THE

Customer

JM resides close to the customer.
We aim to understand how driving forces
such as urbanization and demographics
influence customers, and which requirements
and needs are important to both current
and future customers.



External factors affect the customer's needs and wishes

JM should be the customer's first choice when buying a new home. Through solid customer insights, we gain good knowledge about our customers' needs and preferences, which guides us in our development of residential units and residential areas.

TRENDS THAT INFLUENCE DEMAND

To be a leading housing developer, we must understand and predict how people will live and work. The most important societal changes are driven by technological, sustainability-related, demographic, social, political, and economic trends over time.

The past year has been a year of change, primarily with the coronavirus pandemic causing upheaval in the world on so many different levels. Increasing digitalization, remote working, and thus altered needs and housing preferences are some clear effects of the pandemic. In its wake, the need for transformation and to be adaptable is greater than ever in order to handle the rapid changes.

Trends:

- Greater digitalization rate in the wake of the coronavirus pandemic
- Sustainability from a broader perspective
- Demographic changes and the number of able-bodied people
- People seeking freedom of choice and diversity
- Globalization contributing to an increasingly integrated world in which we are more dependent on one another.

Greater digitalization rate in the wake of the pandemic

The digital transformation of everything from the labor market to health care, housing, and education began many years ago, although the pandemic has now forced a faster transition. This means not only major benefits from efforts to streamline and improve the quality of various industries, but also revolutionary changes on the labor market through primarily greater automation of work processes and artificial intelligence. The pandemic has also caused many industries to quickly transition to remote working, which had been made possible by the digital shift that had long been in the making.

The new digital landscape is challenging established business models and structures, which places demands on adaptation and renewal in many companies and industries.

Greater digitalization also means greater vulnerability for data intrusion and infrastructure. This will lead to greater focus on data security issues and the stability and capacity of processes and digital systems.

Sustainability from a broader perspective

The term *sustainability* comprises three different parts: environmental, social and economic development. The environmental perspective for the housing development industry focuses primarily on using

energy- and climate-efficient building methods, making sound material choices, reducing waste, and protecting our natural resources in the long run. From a social perspective, the focus is on diversity efforts and the creation of a society with high levels of tolerance where equality is a central tenet. This requires that people trust one another and that they take an active role in society's development. Finally, economic sustainability is about meeting the needs of people today without threatening the opportunities of future generations.

The focus in both trade/industry and society is increasingly on concrete solutions and measures. Real issues move into the spotlight, and it becomes more important to show an ability to take action. One example of this is the increasing environmental impact due to digitalization, which places high demands on energy supply.

Demographic changes and the number of able-bodied people

An aging population is a global trend, but the average lifespan varies considerably between countries. In the Nordics, the average age is rising, and more people are working later in life. The number of able-bodied people, however, is relatively constant since the age at which people enter the workforce is rising at the same time as it takes a long time for many new arrivals to establish themselves in the labor market.

As the group of older people grows, the health care sector will need more staff for elderly patients with multiple illnesses, and there will be a rising demand for services and leisure activities for healthy retirees.

Another trend is the change in life phases, where traditional major life events occur increasingly later in life, e.g., marriage, children, and the purchase of the first home.

People seeking freedom of choice and diversity

In environments that foster interaction between and contact with other people, society and business will grow. In the past decade, as regions have grown, more people have settled in the suburbs, further away from the city center but close to rail traffic or highways in order to easily commute to and from work and school. This has meant greater numbers traveling on public transportation as well as more cars, which has increased the perceived stress levels of many people.

The pandemic paused this development and made working from home more widespread and accepted. The pandemic will most likely have an impact on our lives for a long time going forward, and it has



IMPORTANT MARKET CONDITIONS FOR JM

- Increasingly knowledgeable and proactive customers
- Increased focus on sustainable residential units and residential areas
- Need for more flexible and adaptable residential units
- Amortization relief until August 31, 2021.

made us more aware of the spread of infection in crowded spaces. It is probable that many people will continue to work from home to some extent even after the pandemic. We have a need, though, for social interaction, where the shared physical workplace serves as an important arena for the exchange of experiences and ideas. A likely scenario is that we will work at the office a few days a week and the rest of the time remotely at home.

Access and proximity to services continued to be very important for people, where we can meet and live together with others. In a future where people work from home more often, it is probable that they will be more likely to look for a home in a more peripheral location, close to services but still within a reasonable commuting distance to the growth regions.

Globalization contributing to an increasingly integrated world in which we are more dependent on one another

Despite the temporary retreat due to the pandemic, and that countries in recent years have focused more on their own interests and security, globalization will continue in the long run. Access to and the greater use of information and communication technology makes the world more transparent, and people can access information that increases their knowledge and awareness.

Reduced poverty and greater transparency are two effects of globalization. Another is an increase in demand for qualified labor, and in the Nordics we are seeing this primarily in research, innovations and development. The possibility of exporting highly technical goods and services will be the backbone of economic development in the future. All of this affects where investments are made and how the flows in the labor and housing markets will develop. Improved economic welfare and the creation of more highly qualified jobs increase demand for residential units in central locations and within commuting distance.

GOOD INSIGHTS LEAD TO THE BEST CONDITIONS

JM uses a model for its ongoing development work that covers the entire year. The model includes business intelligence, a dialogue with employees and strategic suppliers, and customer and market surveys.

Trends

The need for simplicity and harmony in the housing environment is clearly evident, and we are therefore focusing on creating well-planned designs for the interior of the residential unit as well as for the common spaces outside. By focusing on flexibility, smart storage,

open social spaces, peaceful rooms and spaces for recovery, we have very satisfied customers.

When it comes to housing and the local community, JM plays an important role as a long-term and established player. JM has been in business since 1945 when John Mattson, a master builder, founded the company. Since then, JM has taken on an increasingly greater role as it transitioned from home builder to project developer of sustainable communities. Our high demands and genuine commitment permeate the entire company and guide us in our work today and in the future.

Customer insights

Experience shows that a person's life situation is the primary factor governing the choice and design of his or her home. As a means of ascertaining housing needs, we continuously conduct various customer surveys using focus groups, at-home-with interviews and web panels, for example. JM also strives to be more open and sensitive to the needs of customers when they purchase their home. Customers are given the opportunity to take part in the project at the earliest stage possible. There are a number of areas where the customer can be active and have an impact; for example, proposing the layout of the home, desirable services in the neighborhood, or alternative ways to use common areas.

New role of the home

The pandemic has led to new behaviors, and as more time passes it becomes more probable that new behaviors will become established habits. The percentage of people working from home has increased sharply since the start of the pandemic in the spring of 2020, and home offices have become more accepted.

We already know that there is a clear need to disconnect in a constantly connected society. The role of the home is to provide a space for relaxation and recovery that can then be transformed into not only social spaces but now even work spaces. In order to meet these increased expectations on the home, JM is working actively with the design of its residential units, which should be a well-planned unit where interior design, smart technology and sustainability are central areas of focus. Relaxing and well-planned outdoor areas, such as courtyards, balconies or patios, are also very important aspects when designing our housing projects.

The new role of the home means that it should become a base for more activities than before. Designing the homes of the future that should protect the balance between leisure time and work time is a challenge that will make a big difference to future home buyers.

JM is one of the Nordic region's leading developers of housing

Operations primarily focus on new production of homes, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland.

In all, JM started production on 3,199 residential units in 2020, compared to 3,269 residential units the previous year. Sweden had 2,104 housing starts, of which 98 percent were units in apartment buildings (1,993 tenant-owned apartments and 69 rental units) and 2 percent were single-family homes. Norway had a total of 550 housing starts, of which 84 percent were units in apartment buildings and 16 percent single-family homes, and Finland started production on a total of 545 residential units.

SWEDEN

2020 went into the books as one of the most eventful years ever for the global economy, and growth in Sweden was also influenced by the coronavirus pandemic. At the beginning of the year, the economy showed signs of stabilization, but the closures led to a record-setting fall in GDP in the second quarter. The recovery was strong in Q3, but it stalled due to a second wave and tightened restrictions. GDP fell a total of around 3 percent in 2020. The labor market was hit hard: unemployment rose and employment fell, although the possibility to furlough staff boosted employment somewhat. Unemployment peaked in August and thereafter fell.

Total housing construction increased during the year due to an increase in new production of rental units while

construction of tenant-owned units decreased slightly. Housing prices fell during the spring but then recovered and were higher at the end of the year than at the beginning. Prices for single-family homes showed strong development during the year, increasing by around 15 percent.

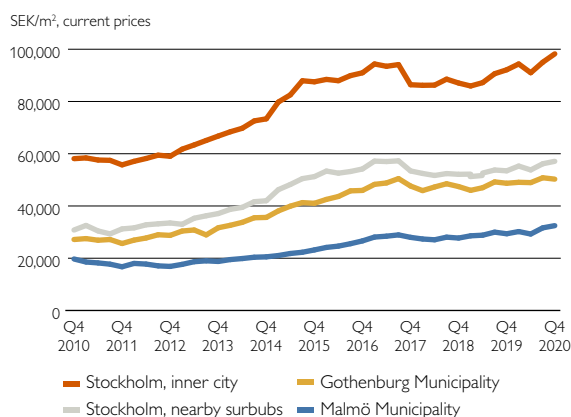
JM is considered to have a market-leading position in Sweden. Its largest submarkets are the large metropolitan areas of Stockholm, Uppsala, Malmö/Lund, and Gothenburg.

Stockholm

The Stockholm region was the hardest hit in Sweden by COVID-19 since the downturn primarily occurred in the service sector, which is concentrated to the capital region. Employment fell, and unemployment and the number of announced layoffs increased sharply. Growth in wages at an annual rate was negative during the second half of 2020, with the weakest development in the service sector.

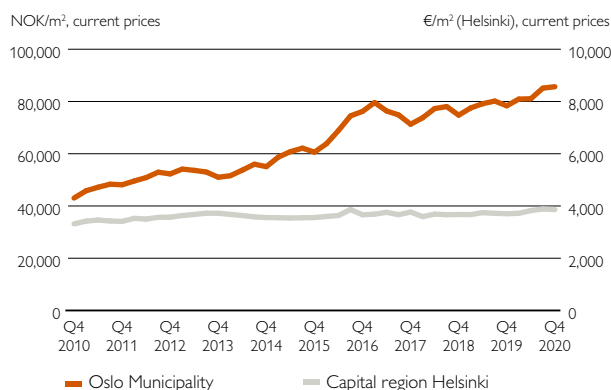
The population growth rate continued to decline, with the Stockholm region showing slower growth than the other large metropolitan areas. This was primarily due to a large drop in net immigration, both domestic and international. Net births also decreased due to excess mortality.

PRICES OF TENANT-OWNED APARTMENTS IN SWEDEN'S METROPOLITAN AREAS OVER THE PAST 10 YEARS



Source: Mäklarstatistik. Compiled by WSP Advisory.

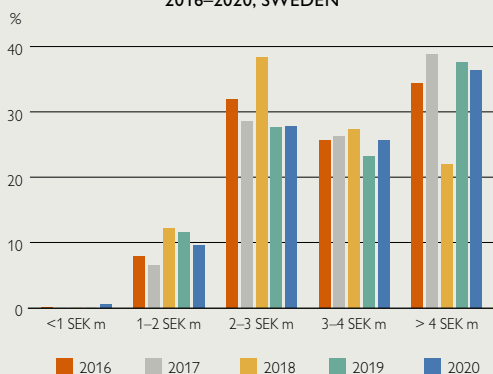
APARTMENT PRICES IN OSLO AND HELSINKI OVER THE PAST 10 YEARS



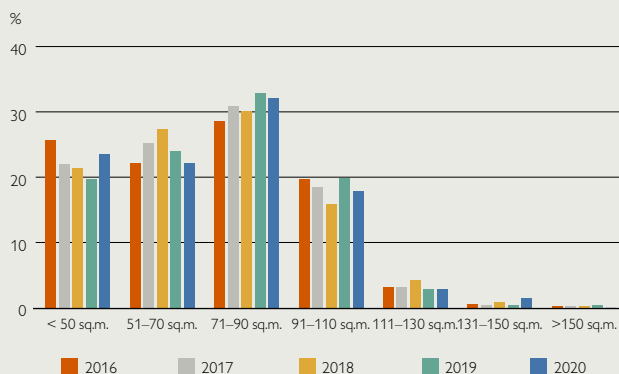
Outcome for Capital Region Helsinki is up through Q3 2020 since the outcome for Q4 2020 was not available when this annual report was sent for printing.

Source: The statistics bureau of each country, Compiled by WSP Advisory.

PERCENTAGE OF JM'S TENANT-OWNED APARTMENTS AVAILABLE FOR SALE IN DIFFERENT PRICE INTERVALS 2016–2020, SWEDEN



PERCENTAGE OF JM'S TENANT-OWNED APARTMENTS AVAILABLE FOR SALE IN DIFFERENT SIZE INTERVALS 2016–2020, SWEDEN



Tenant-owned apartment prices in Stockholm’s inner city and suburbs fell in the spring as the stock market plummeted but recovered in the summer. At the end of the year, they were higher than at the beginning of the year. In 2020, prices increased by around 4–5 percent in both the inner city and suburbs.

Housing construction in Stockholm and suburbs decreased slightly in 2020 due to a decrease in the number of started tenant-owned apartments. Construction of rental units increased, though, during the year. The number of completed residential units decreased relatively sharply, primarily for tenant-owned apartments, but fewer rental units were also completed.

JM leads the market in new production of tenant-owned apartments in Greater Stockholm. Some of JM’s larger projects include Liljeholmskajen and Älvsjöstaden in Stockholm, Kvarnholmen in Nacka, Söderdalen in Järfälla, Dalénium on Lidingö and Täby Park in Täby.

Gothenburg

The Gothenburg region was also hit hard by the pandemic. Growth in wages was more negative than in the Stockholm region, even here due to the service sector. Unemployment and the number of announced layoffs increased but not to the same extent as in the capital region. The population continued to increase but not at all at the same rate as before due to a fall in net immigration, both domestic and international.

Tenant-owned apartment prices in Gothenburg basically followed the trend in Stockholm. Prices fell in the spring but recovered quickly, and at the end of the year they were higher than at the beginning of 2020. In 2020, tenant-owned apartment prices in the center of Gothenburg increased, and the suburbs also increased at about the same rate as in Stockholm – 4–5 percent. Total housing construction in Greater Gothenburg during the first three quarters of 2020 was slightly higher than in the corresponding quarters in 2019 due to more started rental units.

Malmö/Lund

The Malmö region withstood the pandemic of 2020 better than Stockholm and Gothenburg in terms of growth and the labor market. Wages had not shown any negative growth through Q3 2020, and unemployment increased less than in the country as a whole.

Population growth in the Malmö region continued to fall but not at the same rate as in Stockholm and Gothenburg since domestic immigration in Malmö was still high. The decrease in the rate of growth was almost entirely due to a sharp reduction in international net immigration.

Tenant-owned apartment prices fell slightly in the spring, but increased overall in 2020. In central Malmö, prices increased by around 8 percent, and in Lund prices increased by around 6 percent. In Greater Malmö, approximately the same number of residential units were started in 2020 as in 2019 when considering the first three quarters. The number of started tenant-owned apartments decreased, but the number of started rental units increased.

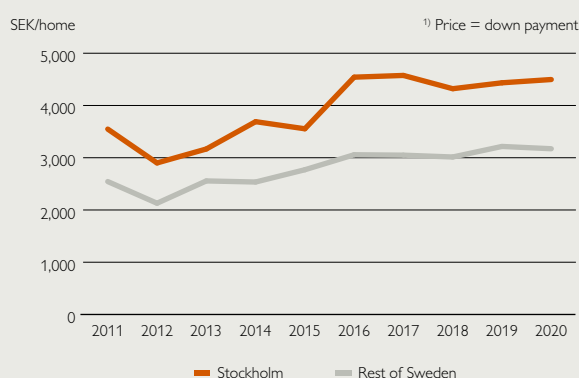
Uppsala, Linköping, Västerås and Örebro

In Uppsala, the effects of the pandemic were clear. The county has an extensive service sector, and unemployment increased almost at the same rate as in Stockholm at the same time as economic growth in the region fell significantly below the level from 2019.

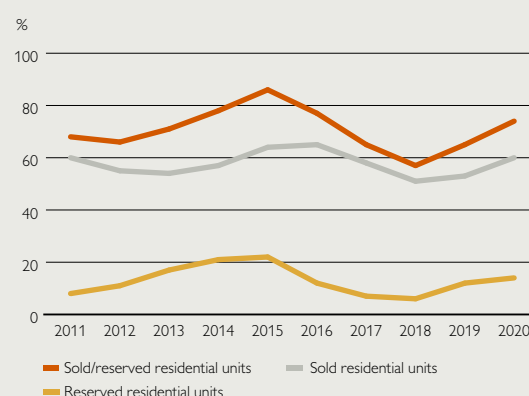
The population in the Uppsala region increased rapidly, but the growth rate declined significantly compared to 2019. Domestic net immigration was stable, and the downturn was due to a decrease in international net immigration.

Tenant-owned apartment prices in Uppsala were moderately impacted by the pandemic. Prices fell slightly in the spring but recovered immediately. The effect on prices was also weak in Linköping, Västerås and Örebro. In 2020, prices in Västerås moved mainly sideways, while in Örebro and Linköping they increased by 7–8 percent.

AVERAGE PRICE ¹⁾ JM's AVAILABLE-FOR-SALE RESIDENTIAL UNITS, SWEDEN



PERCENTAGE OF JM's SOLD AND RESERVED RESIDENTIAL UNITS IN CURRENT PRODUCTION, GROUP



NORWAY

The pandemic and the fall in oil price had a major negative impact on the Norwegian economy. Norway's mainland GDP fell by around 3.5 percent in 2020, and unemployment increased at a record-setting pace. Norway's central bank lowered the interest rate three times in the spring, from 1.5 percent to 0 percent.

Housing prices in Oslo showed strong development despite the pandemic. The prices for freehold residential units rose by around 8 percent in 2020. Housing construction did not change significantly; the number of housing starts in Oslo was approximately the same in 2020 as in 2019.

JM's largest markets are Oslo, Tønsberg and its surroundings, and Bergen.

FINLAND

Finland proved to be unexpectedly resilient during the pandemic in 2020 and had one of the mildest drops in GDP in the euro zone in Q2. Due to an otherwise weak economy, GDP still fell by approximately 3 percent in 2020. The labor market was hit hard despite the relatively mild fall in GDP, and unemployment rose as a result.

Housing prices in the capital region have been increasing slowly and steadily since 2015, and this trend continued in 2020. The number of housing starts in Finland was at approximately the same level in 2020 as in 2019.

JM's operations are located in the capital region.

MAJOR COMPETITORS, PRIVATE HOUSING MARKET

Country	Major competitors
Sweden	Peab, Skanska, HSB and Bonava
Norway	OBOS, Selvaag Bolig, Skanska, Bonava and Veidekke
Finland ¹⁾	YIT, Bonava, Skanska and SRV

¹⁾ Capital region

RESIDENTIAL CONSTRUCTION – NUMBER OF HOUSING STARTS

Country	2020	2019	2018
Sweden	54,500	48,400	52,900
Norway	29,300	31,700	31,500
Finland	40,100	38,300	45,300

Source: The statistics agency in each country, compiled by WSP Advisory. Figures for 2020 are preliminary and will be finalized during spring of 2021.

JM's SOLD RESIDENTIAL UNITS

Country	2020	2019	2018
Sweden	2,966	2,580	1,768
Norway	587	582	525
Finland	473	433	165
Belgium	–	–	5
Total	4,026	3,595	2,463

JM's HOUSING STARTS

Country	2020	2019	2018
Sweden	2,104	2,227	2,220
Norway	550	614	634
Finland	545	422	281
Total	3,199	3,269	3,135

JM's RESIDENTIAL UNITS IN CURRENT PRODUCTION

	12/31/2020	12/31/2019
Number of residential units in current production ¹⁾²⁾	7,976	7,813
Percentage of sold residential units in current production, % ³⁾	60	53
Reserved residential units in current production, %	14	12
Sold/reserved residential units in current production, %	74	65

¹⁾ Of which rental units and residential care units in current production in JM Property Development – not included in the percentage of sold and reserved residential units in current production

Includes residential units in projects where costs incurred are only reported as project properties under construction

²⁾ Beginning with production start-up through final occupancy according to plan.

³⁾ Percentage of sold residential units expressed as binding contract with the end customer.

OUR KNOWLEDGE AND
NEW CONSTRUCTION

Advantages

Buying a home from JM has many advantages. Our residential units are adapted to how people live today, and JM takes responsibility for social, ethical and environmental sustainability. Since 2018, all new JM residential units are built in accordance with the requirements for Swan Ecolabel certification.



All JM residential units meet Swan Ecolabel requirements

JM is contributing to the development toward a sustainable society. Swan Ecolabel certification places demands on environmental certification for documentation of materials used in construction.

All our residential units planned as of 2018 will be certified in accordance with the Swan Ecolabel. A Swan Ecolabel building must meet demanding environmental requirements. JM is the first Nordic construction company to certify all of its residential units in accordance with the Swan Ecolabel.

When the building is completed, JM must be able to prove that the Swan Ecolabel's demanding requirements on energy, indoor environment and material are met, and that we have conducted the required controls and have the required documentation.

For customers, a Swan Ecolabel home has several advantages, such as low energy consumption, a healthy indoor environment, and products made with wood from sustainable forestry.

To purchase a home is to plan for the future. We would like to create the best conditions for the environment and an improved quality of life for the residents of our buildings. This is embedded in our DNA. Sustainability is not something new for JM.

If we are to be able to meet the extensive challenges facing not only us but society as a whole, it will not be enough to use what is already available. By setting the bar high, JM and all of its employees must think outside the box. We must find new paths and new ways to think and react. Demanding targets help us do this. Read more about our sustainability targets on page 41.

CLOSER COOPERATION WITH SWAN ECOLABEL

Since all JM residential units that have entered the pre-construction stage after January 2018 are certified in accordance with the Swan Ecolabel, an increasing number of JM's residential units have been certified, and this applies in all three of our markets: Sweden, Norway and Finland. In September 2019, the first families moved in to the first completed Swedish Swan Ecolabel project, Gustavslund outside of Helsingborg, and in May 2020 residents began to move in to the Höyhensaari high rise in Böle, Helsinki. On June 11 of the same year, JM inaugurated its first Swan Ecolabel apartment building in Norway: Presterødalléen.

"We have now reached the point where the Swan Ecolabel is a natural part of our everyday routines, processes, day-to-day tasks, brand, and offer," says Maria Sandell, sustainability manager at JM.

JM's fulfillment of the requirements for Swan Ecolabel certification is proof that we are working to reduce our environmental impact.



"During the year we surveyed our customers and were able to determine that the indoor environment is particularly important for them, as are energy consumption and water consumption. But what is most important is the sustainability and environmental work we are already doing, not the certification itself."

One advantage for customers is that a Swan Ecolabel home can result in more favorable lending rates from a number of banks, so-called green mortgages.

"We are noticing clearly that the environmental aspect is becoming an increasingly important factor when choosing a home." The work with Swan Ecolabel certification is an ongoing process: the criteria change and new criteria are added. JM is active in this process and has itself proposed possible changes to the Swan Ecolabel certification.

"Before, there was a lot of focus on energy consumption, but now we are working together with Swan Ecolabel to improve and develop the criteria for material, energy and the indoor environment," says Maria Sandell.

Up to December, JM had completed two Swan Ecolabel projects in Sweden, five in Norway, and one in Finland. At the beginning of December, around 40 projects that will receive Swan Ecolabel certification were in production within JM and approximately another 70 are in the pre-construction stage.



Product development and innovative thinking

This primarily focuses on what we can do for our customers, but also how we can improve our operations internally.

Trends and the knowledge shared by suppliers, employees and customers are processed and summarized into different proposals for prioritized development areas. A development area might be a product improvement project or a sales theme for market communication.

Some of the development projects are:

Kitchen: We are placing higher demands on our kitchens, where we are also spending an increasing amount of time. We do homework, spend time together and cook here. This requires modern technological solutions and space efficiency.

Bathroom: One of the more important rooms in the home. Smart and functional and also inviting — a place for relaxation and own time.

Storage: A constant high-priority area for most people. There never seems to be enough storage space. JM is now focusing on creating new solutions and better planned storage areas.

Urban development: JM takes a comprehensive approach to how we think and what we do to create attractive and sustainable city districts and residential areas that are a natural part of the constantly growing large metropolitan areas.

Service development: Our customers show greater interest in housing-related services and digital solutions. In order to meet the need, we develop these types of services in JM@home.

Intelligent homes: Technological development is progressing rapidly when it comes to smart homes. Companies such as Apple, Google, and Samsung are investing heavily in the area, and JM is evaluating customer benefit and the technology in several test projects.

INTELLIGENT HOMES AND PROPERTIES

Our intelligent homes present new solutions to old problems. For example, turning off the lights in the apartment with the push of a single button or ensuring that the water is turned off automatically if the dishwasher in the kitchen starts to leak.

Intelligent homes and properties create new functions that make life easier and new technology that raises the quality of life. This is sustainable, secure and comfortable. All of this gives our customers the best possible start and the best opportunity to have time for everyday activities. Our new standard has been developed with solutions that are based on the customer's preferences and needs.

INNOVATIVE SOLUTION

JM Labs is an innovation lab that has the goal of engaging employees in an idea workshop on how we can find innovative solutions, simplify life for our customers, and meet the challenges of the future. Promising concepts are presented to the Group's management team, and those that are considered relevant are sent on to the regular development processes for implementation. In 2020, JM Labs has focused in part on process productivity using digital robots and work environment in the form of different types of technological solutions to prevent work-related injuries among our skilled workers.

INNOVATION FOR A BETTER LIFE

- JM Labs also supports JM's operations by working faster with development, innovation and learning
- The goal is to offer standardized solutions within the entire Group. Ultimately, to simplify our customers' everyday lives.



Five reasons to choose a newly built home from JM

We build for how people live today.

FIVE GOOD REASONS TO CHOOSE A NEWLY BUILT HOME FROM JM

1. Sustainable and responsible
2. Simple and safe
3. Fresh, well-planned and maintenance-free
4. Intelligent homes with a focus on people
5. Participation in the design of the home

SUSTAINABLE AND RESPONSIBLE

Newly built residential units meet very high environmental and energy demands and work environment requirements both during the construction period and in the completed final product. These high demands lead to less of an environmental impact and less energy consumption since the buildings are better sealed and the appliances use less energy. This leads in turn to lower regular housing expenses.

At JM, we are leading the development toward a society that is sustainable in the long run by certifying all JM residential units in accordance with the Swan Ecolabel certification and pursuing measures that will bring climate emissions down to basically zero by 2030. We are also actively working to bring more skilled female workers into the industry, to create a secure and safe working environment for all employees, and to offer residential units and local environments where people feel good and can live more sustainably.

SIMPLE AND SAFE

Trygg Bostadsrättsmarknad i Sverige is an industry initiative to strengthen consumer protection on the tenant-owner apartment market, for which JM and several established companies have seen a need. Companies that choose to join this initiative and have their tenant-owned apartment projects approved undertake to report critical KPIs. This initiative benefits households, serious housing producers and lenders and contributes to the development of an efficient market for newly produced homes.

To further strengthen the protection for JM's home buyers, JM offers a security package that includes, for example, protection against double housing costs in the event they have difficulty selling their existing home and access protection for if their occupancy date needs to be postponed.



At JM, it is easy to purchase a newly built residential unit. All customers are offered digital tours to get a good look at the residential units. Customers may reserve, pay and sign for their purchase digitally, when and where it suits them.

FRESH, WELL-PLANNED AND MAINTENANCE-FREE

One major advantage of purchasing a new production is that no one has lived there before and everything is new and fresh. No renovations will be required in the next few years, which can be a relief.

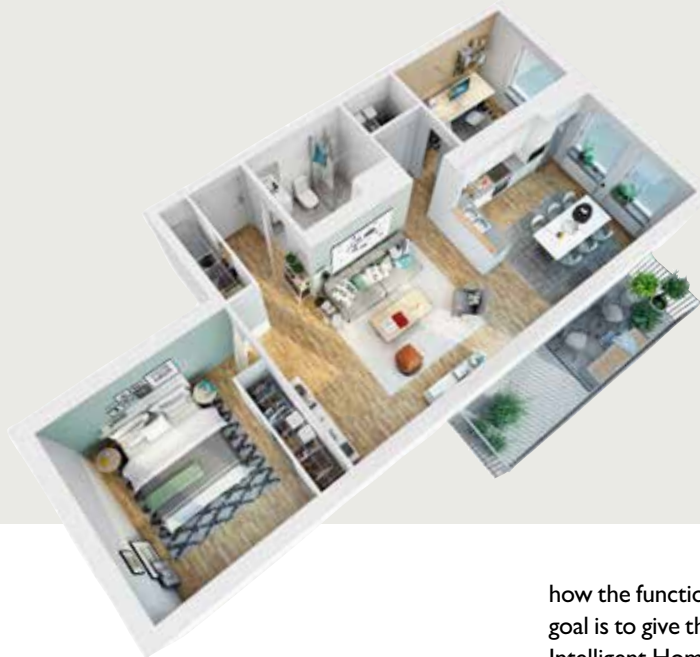
JM's considerable experience as a housing developer and its high level of quality awareness are found throughout the entire company and result in well-planned layouts and high-quality housing with good material choices. We also know that balconies and outdoor spaces are very important for our customers. We therefore are focusing on building functional, well-designed and cozy outdoor environments with a high enjoyment factor.

Our customers should be able to relax in our residential units, which is easier if the home is fresh, well-planned and maintenance free.

INTELLIGENT HOMES WITH A FOCUS ON PEOPLE

Smart technology and connected homes are becoming more common in today's society to make life easier. Many housing developers already offer solutions for smart homes or have them in their development plans.

JM's ambition is to be the industry leader within digitalization. The Intelligent Homes initiative focuses on both creating smart functions in the home, which makes life easier and safer, and utilizing new technology, which makes it possible to live more



sustainably. One example is Parklunden in Hjärup, where several smart functions are included in the residential units, such as digital locks that make it possible to let in home deliveries and workmen when no one is home, dimmable and motion-sensor lighting, the ability to turn off all lights with the push of a single button at the door, and safety functions such as being able to turn off stove tops and household appliances remotely via a smartphone. All of the home's smart functions can also be controlled by voice.

The installation of smart home functions always includes a start-up meeting with a technician, who shows the customer

how the functions can be adapted to meet their needs. The goal is to give the customer the best possible start in their new Intelligent Home.

PARTICIPATION IN THE DESIGN OF THE HOME

The benefit of being able to choose the residential unit's locations, floor plan, and interior depending on preferences and needs is appreciated by many. One of the many advantages of new production is that customers are able to choose how their future home will look.

JM offers a well-planned final product with carefully selected interior design and materials that will last, where all of the details are in harmony with the design of the home. If a customer wishes to add something extra, JM's experienced interior design experts are there to provide advice and support.

"IT IS EXCITING AND FUN AND CREATES AN ADDITIONAL SENSE OF SECURITY"

Per and Lena Lilja in Norrtälje chose an Intelligent Home from JM.

After their children moved out, they felt that their home outside of Norrtälje was unnecessarily large. Per and Lena also were tired of cutting grass and shoveling snow. So, they began to look for housing that was more comfortable and easier to maintain. After having seen an advertisement for the Hamnträdgården project in downtown Norrtälje, they moved last fall into a newly built 95 m² four-bedroom apartment.

"It was actually the smart technological solutions that in the end convinced us to take the leap to moving into an apartment," says Per Lilja.

Per has worked for a long time with electrical grids and broadband and describes himself as somewhat of a technology geek. They therefore immediately investigated all of the smart solutions in the apartment, the heart of which is Samsung's smart systems and the app SmartThings. The ceiling lighting is smart and dimmable, and all of the functions in the home, including audio and music, can be easily controlled through voice recognition.

"We usually set the lamps to follow sunrise and sunset, and the automatic bathroom light is set to only come on at

20 percent of its strength in the middle of the night to avoid being fully woken up."

Even if many of the functions are related to comfort and entertainment, the smart solutions also create an extra sense of security. How many times have you been sitting in the car on the way to the summer house and wondered if you really turned off the stove and locked the door?

"We have smart controls for the stove top and can check in the app if it is turned off or not. The same applies to the exterior door and the alarm, where we get a warning if the door opens. And we can set the lighting at home to turn on at different times."

The package included a start-up meeting, and several weeks after they moved a technician came to visit and helped them activate and go through all the smart functions installed in the home.

"It is really convenient, and everything has worked really well. The only thing we might be missing are smart outlets on the balcony to control those lights via the app. But we even have a spot in the parking garage with a charging station for our hybrid here. We are properly connected and future-proofed in general."

Focus on people

JM's residential units create homes for people in different phases of life; they make it possible to realize dreams and lay the foundation for new lives.

DIGITAL PURCHASING PROCESS

In recent years, JM has developed a comprehensive digital purchasing process for customers throughout the entire Group. Customers can easily find their new home, submit an interest notification, go to a showing, and reserve a residential unit at a time that suits them.

Part of this work has entailed rebuilding the Group's websites from scratch, with new technology and a new interface that, among other things, makes it easier to navigate via smartphone. JM's customers in Sweden, Norway and Finland are not only able to reserve their residential unit online, but JM has also launched a service where they can visualize and sign for their interior choices digitally.

In 2020, JM has also introduced digital showings and digital agreement management on all markets. The digital showings

include recorded and live-streamed videos, interactive 3D tours, and private showings via video calls. In addition to offering secure home tours during the pandemic, this also resulted in more informed customers and made our residential units more accessible.

Digital agreement management means signing the agreement with BankID, and when the agreements are signed by all parties they are distributed digitally to the buyers. This modernization of the purchasing process also leads to shorter lead times, reduced administration, and more secure agreement management.

JM's digital services complement the person-to-person meetings – the customer should be able to choose if and when they want to meet in person or digitally.



JM's largest projects



We build all our homes in locations that are not only close to cities, nature or water but are also close to public transport. It is also important for there to be service and schools in the area. JM's 12 largest projects in Sweden, Norway and Finland are presented below.



1. Liljeholmskajen, Stockholm
Development period: 2001-2029
Housing type: apartment buildings
Number of residential units:
 - in total approx. 4,300, started 3,543
 - units started in 2020: 73
Number of remaining building rights:
 around 750
Location: central, 5 km to downtown Stockholm



2. Täby Park, Täby
Development period: 2018-2035
Housing type: apartment buildings
Number of residential units:
 - in total approx. 2,500¹⁾, started 221¹⁾
 - units started in 2020: 89
Number of remaining building rights:
 around 2,280
Location: 20 km from downtown Stockholm
¹⁾ Production also started on 128 rental units.



3. Norra Älvstranden, Gothenburg
Development period: 1998-2027
Housing type: apartment buildings
Number of residential units:
 - in total approx. 2,150, started 1,880
 - units started in 2020: 0
Number of remaining building rights:
 around 300
Location: close to water, 5 km to downtown Gothenburg



4. Dockan area, Malmö

Development period: 2003–2025
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,450, started 1,100
 – units started in 2020: 0
Number of remaining building rights:
 around 350
Location: close to the city center,
 by the sea



5. Kungsängen, Uppsala

Development period: 2003–2024
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,400, started 1,224
 – units started in 2020: 121
Number of remaining building rights:
 around 200
Location: close to the city center



6. Kvarnholmen, Nacka

Development period: 2010–2030
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,400, started 708
 – units started in 2020: 0
Number of remaining building rights:
 around 700
Location: central, 6 km to downtown
 Stockholm



7. Söderdalen, Järfälla

Development period: 2013–2035
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,300¹⁾, started 622¹⁾
 – units started in 2020: 52
Number of remaining building rights:
 around 800
Location: approx. 20 km to downtown
 Stockholm

¹⁾ Production also started on 192 rental units.



8. Lomma Strandstad, Lomma

Development period: 2003–2023
Housing type: apartment buildings/single-family homes
Number of residential units:
 – in total approx. 1,150, started 845,
 of which 85 single-family homes
 – units started in 2020: 0
Number of remaining building rights:
 around 300
Location: close to the sea, 8/10 km to
 Lund/downtown Malmö



9. GWS Hertonäs, Helsinki, Finland

Development period: 2019–2027
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,080, started 242
 – units started in 2020: 51
Number of remaining building rights:
 around 840
Location: approx. 6 km to downtown Helsinki



10. Dalén, Lidingö

Development period: 2010–2023
Housing type: apartment building
Number of units:
 – in total 881¹⁾, started 881¹⁾
 – units started in 2020: 56
Number of remaining building rights: 0
Location: approx. 9 km to downtown Stockholm

¹⁾ Production also started on 243 rental units.



11. Puustellinkallio, Esbo, Finland

Development period: 2018–2027
Housing type: apartment buildings
Number of residential units:
 – in total approx. 870, started 277
 – units started in 2020: 112
Number of remaining building rights:
 around 580
Location: approx. 11 km to downtown
 Helsinki



12. Myrsvoll Stasjon, Akershus, Norway

Development period: 2017–2027
Housing type: apartment buildings and
 single-family homes (sfh)
Number of residential units:
 – in total approx. 625 of which 199 sfh,
 started 406 of which 199 sfh
 – units started in 2020: 123 of which 68 sfh
Number of remaining building rights:
 around 220
Location: approx. 20 km to downtown Oslo



JM is evaluating a new technique with BIO concrete – *climate-friendly concrete*

JM has set a goal to have carbon dioxide emissions close to zero by 2030. To achieve this goal, JM is working together with a number of actors and conducting several pilot projects. One of these projects is to cast a concrete that has less carbon dioxide emissions than traditional concrete.

In 2020, JM has cast the new concrete, BIO 1, delivered by Betongindustri, in its Havreflingan project in Järfälla. The concrete reduces emissions by around 10 percent compared to traditional concrete.

“We used the BIO concrete in one of the stairwells and then compared it to normal concrete in an adjacent stairwell. The concrete workers were very pleased with the result,” says Eva Lindqvist at JM’s sustainability department.

During the project, JM measured drying times, strength, consistency and quality, and of course also the climate benefits. After the concrete was cast, the workers have also evaluated the concrete and noted good results.

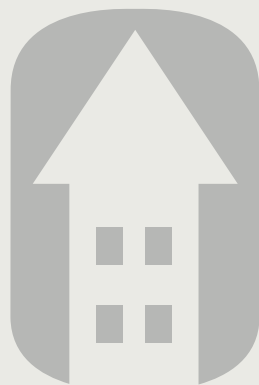
The next step is to cast the concrete during the winter and evaluate several suppliers of climate-friendly concrete. The objective of the pilot project is to evaluate if climate-friendly concrete can be introduced in all of JM’s production.



OUR STRATEGY FOR

Profitability

JM creates value through its residential development projects. We create profitability and value for our shareholders through good risk control and effective capital utilization. Uniform modes of production and more effective logistics also contribute to value creation.



Business concept, vision and strategy

BUSINESS CONCEPT:

With people in focus and through constant development, we create homes and sustainable living environments.

VISION:

We are laying the foundations for a better life.

OVERALL OBJECTIVE FOR SHAREHOLDER VALUE:

To give shareholders a higher total return than other companies with a similar risk profile and business activities. Total return refers to the sum of dividends and increased value.

STRATEGY

In order to achieve its overall shareholder value objective within the framework of its business concept, JM has the following strategy:

- Leading project developer of housing in the Nordic area – in terms of both market position and quality of the product
- Operations in growth areas with good long-term demographic and economic conditions
- Clear focus on high quality and eco-compliant homes and work-places, with high customer value and in attractive locations
- Growth that preserves good profitability and leading market position
- Growth should primarily be organic, but corporate acquisitions can also strengthen JM's position on existing markets
- Company culture that is characterized by good values, responsibility, a long-term approach, sustainability and respect for individuals.

LEADING PROJECT DEVELOPER OF HIGH-QUALITY HOUSING IN THE NORDIC AREA

JM is one of the Nordic region's leading developers of housing. Operations primarily focus on new production of homes, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland. Areas with a growing population and a good purchasing power trend form the common denominator, increasing the potential for success in JM's business.

Project development at JM covers every link in the value chain, from acquisition of land to the sale of the new home. In many cases, JM projects mean the creation of new neighborhoods.

In Sweden homes will mainly be sold to tenant-owners associations for personal ownership, but may also include rental units

and to some extent freehold apartments. Project development of commercial properties will be limited and primarily support housing development in large projects, where offices may be a natural planning prerequisite. JM@home offer economic and technical management as well as housing-related services.

A clear focus on cash flows and effective utilization of the balance sheet form the basis for JM's strategy for value generation and growth. This is achieved by maintaining a high rate of housing starts, implementation and sales of projects.

Risk control and focus on cash flows mean that housing starts only take place in response to guaranteed demand in the form of reservations and signed contracts.

Quality assured pre-construction and production are achieved through JM's limited and efficient production capacity.

CAPITAL MANAGEMENT

The strategy comprises both asset and capital structure aspects, and has been adapted to JM's project development. Focus is on cash flows and effective utilization of the balance sheet, and entails, for example:

- Building rights portfolio – development properties on the balance sheet should correspond to five years of production
- Project properties – should primarily consist of residential properties developed in-house or properties that can be developed through conversion or densification. The portfolio's value will be realized through sale or exchange, and the size of the portfolio can vary over a business cycle
- Visible equity/assets ratio of 35 percent, measured over a business cycle. The goal is set on the basis of an analysis of the operating risk in the various types of operations and the asset classes on the balance sheet.

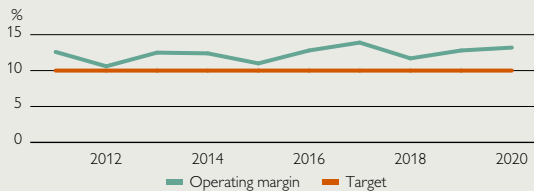
Targets and outcome

As a means of ensuring long-term value generation, JM has formulated general targets. JM's financial targets are defined based on segment reporting.

FINANCIAL TARGETS

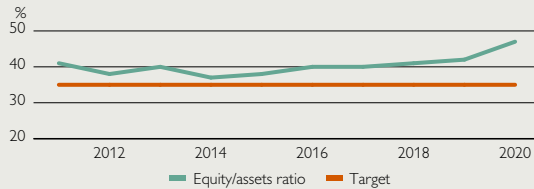
Operating margin

Target: The operating margin should amount to 10 percent, including gains/losses from property sales.
Outcome: In 2020, the operating margin increased to 13.2 percent. During the 5-year period of 2016–2020, the operating margin was an average of 12.9 percent.



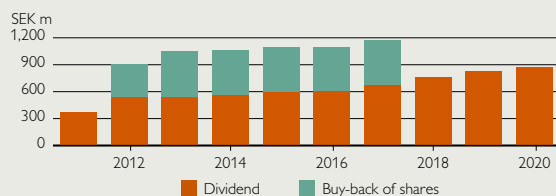
Equity/assets ratio

Target: The visible equity ratio should amount to 35 percent over a business cycle.
Outcome: The equity/assets ratio was 47 percent on December 31, 2020. During the five-year period of 2016–2020 the equity/assets ratio on average was 42 percent.



Dividend

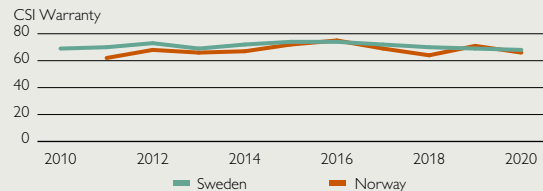
Target: The average dividend over a business cycle should correspond to 50 percent of consolidated profit after tax.
Outcome: The Board of Directors is proposing an ordinary dividend of SEK 12.75 per share (a total of SEK 887m). During the five-year period of 2016–2020 the average dividend pay-out ratio was 50 percent.



NON-FINANCIAL TARGETS

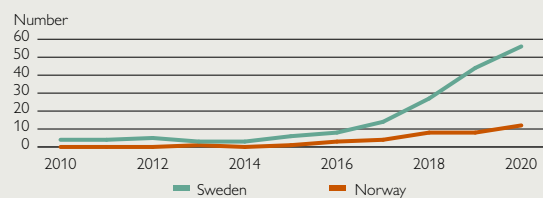
Customers

The objective is to have the industry's most satisfied customers.
Target: The target is to have a rating by 2021 in the Customer Satisfaction Index survey two years after occupancy (CSI long-term) that is five units above the industry average.
JM/Industry average 2020: Sweden 68/65, Norway 66/66.



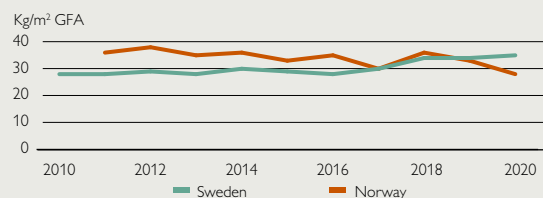
Employees

Gender equality in the operations is a long-term factor of success for JM.
Target: The target is to achieve a 10 times increase in JM's number of skilled female workers between 2015 and 2021.
2020: Sweden 9.3, Norway 12.0 times.



Environment

Construction waste is one of the industry's most important resource, environmental and quality issues.
Target: The target is to reduce the total volume of construction waste to 15 kg per produced m² by 2021.
2020: Sweden 35, Norway 28 kg/m² Gross floor area (GFA).



Changed financial targets for 2021

JM is updating and establishing new financial targets that will go into effect on January 1, 2021, to more clearly support growth in the operations and a steady increase in earnings per share. The overall financial targets aim to provide balanced support for the long-term financial development within the Group and at the same time be adapted to the cyclical nature of the business.

- The operating margin should amount on average to 12 percent, including gains/losses from property sales
- Return on equity on average over time should amount to 25 percent
- Long-term growth with an average increase of 4 percent a year in the number of housing starts, with a baseline of around 3,800 housing starts a year
- Benchmark for capital structure where a

- visible equity ratio should amount to at least 35 percent over a business cycle
- Dividend policy where the dividend on average should be 50 percent of the Group's profit after tax over a business cycle.

JM's financial targets, benchmark for capital structures and dividend policy are defined using segment reporting.

Value generation in JM's core business

Our understanding of customer needs and demand – as well as how these are put into practice through effective processes – forms the basis for JM's value generation. We have developed effective construction processes and accumulated sound experience in carrying out large and complex projects.

From the very start in 1945, JM has worked to develop residential projects, which means that vacant or built land is acquired and refined into attractive housing or commercial premises. Project development covers every link in the value chain from acquisition of land to the sale of the new home. In many cases, JM projects mean the creation of new neighborhoods. Since our operations are primarily focused on new production of homes, over the years we have been able to develop our processes while working to improve the quality of our homes.

Good risk control, focus on cash flows and effective utilization of the balance sheet are prerequisites for ensuring long term value generation.

Sustainability work is a central and integrated part of our project development. We are designing the buildings and cities of the future, and we take environmental, economic and social aspects into consideration to create conditions for sustainable lifestyles.

VALUE CHAIN

The value chain includes land and property acquisition, the planning process and pre-construction, production, sales and management. The ability to manage the entire value chain is an important competitive advantage for JM and decisive in terms of successful value generation. Each step of the project development process adheres to the requirements outlined in JM's decision gates, which aim to ensure good profitability as well as an effective and controlled process (see illustration on page 32).

Value grows step by step, as land use is defined. Full land value is attained when the local plan becomes legally binding and building permits are obtained – a process that can take from one to five years – and the project has been sold to buyers.

APPROPRIATE CAPITAL STRUCTURE

JM's business is capital-intensive and requires effective utilization of the balance sheet. In order to maximize value generation, the starting point of an optimized capital structure must be based on the fact that different fields of activity have different requirements for capital when addressing their specific risks. Using a capitalization model, JM performs an analysis each year to determine how much venture capital is needed for the different fields of activity.

The capitalization model quantifies access to and need for venture capital in each of JM's fields of activity, and is based on

assessed market values. The analysis also takes liquidity aspects in the various asset classes into consideration.

As one means of continually analyzing JM's overall requirement for capital, the management and the Board utilize the capital allocation model to assess required capital and allocated venture capital for the different fields of activity. The analysis of required capital subsequently forms the basis, together with other qualitative aspects not considered in the capitalization model, for the Board's decision regarding a suitable capital structure at any specific time, and is a prerequisite for value transfer to shareholders.

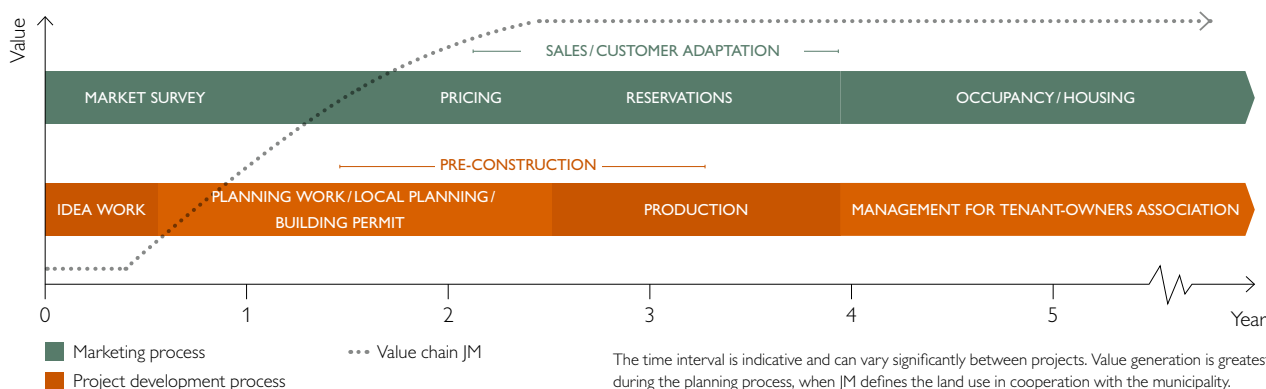
REQUIRED RATE OF RETURN FOR PROJECTS

Value generation requires each investment to generate returns that exceeds its cost of capital. JM works with a number of investment analysis methods and criteria (such as WACC, IRR and present value ratios) to evaluate both each specific project's profitability and which projects should be prioritized. These methods and criteria form the tools and governance methods used to meet the Group's requirements of return for projects.

- **The weighted cost of capital (WACC) for new projects** amounts to 5.5–6.5 percent and is used to calculate the present value of forecast cash flows for a specific project
- **The debt/equity ratio in individual projects** is assessed to be 1.0
- **Average cost of capital – borrowed capital** ¹⁾ A 2-year interest rate (corresponding to the average length of a project) of a total of 2.3–2.8 percent based on the underlying risk-free rate of 0.3 percent and a risk premium of 2.0–2.5 percent. Taking tax deductions for interest expense into consideration, the average cost of capital for borrowed capital is thus 1.8–2.2 percent
- **Average cost – shareholders' equity** ¹⁾ Return on equity, when weighing the different evaluation criteria, CAPM (Capital Asset Pricing Model) and IRR (Internal Rate of Return), amounts to around 11–13 percent
- **Return on equity** The return on shareholders' equity for the 10-year period of 2011–2020 was an average of 25.9 percent, and an average of 27.1 percent for the 5-year period of 2016–2020.

¹⁾ Risk-free rate and risk premium assessed from a longer perspective.

Value generation in society



INDEPENDENT TENANT-OWNERS ASSOCIATIONS BUILD CONFIDENCE IN THE LONG TERM

JM's residential project development in Sweden consists primarily of JM developing and selling tenant-owned properties where JM enters into agreements, with tenant-owners associations as the orderer, for a total undertaking to deliver a turn-key residential property. The individual home buyers enter into a purchase agreement with the tenant-owners associations. It is fundamental for JM's business that the tenant-owners associations are independent.

JM's success is largely based on ensuring long-term confidence for the business in relation to our stakeholders. This applies in particular to ensuring that individual buyers of tenant-owned apartments are confident in JM as a long-term, stable and secure housing developer. To create this kind of confidence, it is necessary during the production phase for the board of directors that represents the individual buyers of the tenant-owned apartments to be independent from JM and enter into agreements that protect the buyers' interests. In order to protect not only these interests but also JM's business-related interest in interacting with a professional orderer, the association's members of the board of directors must have relevant experience and competence. This is also important for the members' responsibility as laid down by association law. Therefore, the tenant-owners associations are formed by board members who are independent of JM and have extensive experience and competence in all areas that are relevant for a tenant-owners association. According to the by-laws of the association, the majority of the board of directors during the entire production phase must be appointed by a party that is independent of JM. JM has no right to appoint the association's board of directors and never has any representation on the board.

The tenant-owners association's board of directors makes important decisions about and enters into agreements with JM for the production and provision of a turnkey residential property on behalf of the association and the individual buyers of tenant-owned apartments.

Furthermore, JM's business model, on a detailed level, is adapted to allow good governance and follow-up with a high level of business requirements. JM's description of residential development with tenant-owners associations as the customer reflects this relationship in a relevant and transparent manner. The essential criteria in this business model can be summarized by the following:

- The tenant-owners association's statutes stipulate the appointment of JM-independent board members in the association, where JM is not entitled to appoint the board
- All significant and relevant decisions are made independently by the board of directors in the tenant-owners association
- Agreements on a total undertaking, where JM delivers a turn-key property, are entered into by the independent board in the tenant-owners association prior to production start
- The tenant-owners association has its own financing through a construction loan, including the tenant-owners association's property as collateral. JM pledges a temporary surety as a partial credit enhancement
- An independent real estate agent sells the tenant-owned apartments based on a direct agreement with the tenant-owners association.

These main criteria are central from both a legal perspective and from a financial and accounting perspective, with transparent follow-up over the project's lifecycle, both internally and externally. Systematic follow-up includes current performance, risk and market changes and modified revenue and cost assessments in the projects. The entire project process, from agreement with the tenant-owners association on JM's total undertaking to deliver a turn-key property to the transfer agreement with the final buyers of the residential units and the completion of the projects, is consistently processed in financial reporting with a high degree of precision over time. The issue of independence, which is fundamental for the business, serves also a basis for the housing associations not just from a legal perspective but also from an accounting perspective being viewed as independent and thus are a customer of JM. See Note 1 on pages 89-93 for more information.

PROJECT DEVELOPMENT AND VALUE GENERATION TAKE PLACE IN THE DIFFERENT PHASES



CONCEPT PHASE - MARKET ANALYSES OFFER INSIGHT INTO CUSTOMER NEED

Good understanding of market development, customer need and demand forms the basis for generating value through project development. Thus JM regularly performs market surveys among its customer groups in order to ascertain need and preferences for issues ranging from type of housing to location and design. The customer needs and market development analysis generates ideas for how the offer can be attractively designed.



LAND WITH THE RIGHT DEVELOPMENT POTENTIAL - AT THE RIGHT PRICE

Projects generally start with acquisition of land. The market surveys that are regularly conducted to analyze customer preferences form an important basis for decision-making when acquiring land.

Being able to acquire land with potential for development - at the right price - is a decisive factor in terms of implementing plans to produce attractive housing and achieve profitable project development. The land acquisition and concept phases are thus crucial in project development.



SALES PROCESS - VIA SEVERAL DIFFERENT CHANNELS

When the sales process begins, VIP customers receive advance information and have priority to JM's homes. Our sales channels include our websites, Showrooms, Big Open House Days, social channels, etc.



PRE-CONSTRUCTION PHASE - WITH ARCHITECTS

Next follows a pre-construction phase under the supervision of JM's pre-construction manager. An architect produces drawings, and when the proposal has been approved, we involve consultants specializing in construction, land, electricity, ventilation, heating, sanitation, etc. A purchasing supervisor takes care of procurement processes, material and work orders, while the site manager plans the daily work.



PLANNING PROCESS - DEFINING LAND USE

The next step involves defining land use, which means building rights take shape with respect to their content. This step is performed in a dialogue with the municipality, which together with JM's project manager determines how the land can be used. Property owners can influence the planning process, but it also depends on the municipal planning process and any appeals.

It is during this stage - when ideas for the land are to be implemented and transformed into concrete plans for attractive neighborhoods - that the greatest part of value generation takes place.



PRODUCTION - SECURE AND EFFECTIVE PROCESSES

Construction does not begin until the number of reserved residential units reaches the predetermined target percentage. Site managers, foremen and others make sure work progresses safely and effectively. Many of JM's teams have worked together for a long time, and their well-established and structured processes are an important aspect of value generation.



OCCUPANCY, MANAGEMENT AND HOUSING SERVICES

Production and completion continue until occupancy, after which JM@home offers both technical and economic management to the tenant-owners associations in order to provide them with a secure, stable foundation as well as selected housing services. The services offered via JM@home create added value after occupancy.



TRANSFER OF EXPERIENCE

By sending surveys to customers, we create a Customer Satisfaction Index for each project, which together with experiences from the organization serves as the starting point for how to improve our future work.

Building rights – the basis for sustainable profitability

JM continually invests in land that can be developed for future production. We acquire land at the same pace that we put land into production.

A great deal of insight into customers’ needs and demand is required in order to make the appropriate investments in building rights. Rising housing prices have resulted in many prospective buyers looking for homes farther away from the city center. Improved public transport has also made it possible for people to accept longer commutes. At the same time, we see a clear trend that central urban locations are becoming increasingly attractive.

GOOD COMPOSITION

JM’s planned residential units are located in both traditionally strong housing markets and new emerging markets. Areas close to water and parks are popular. Other important qualities include close vicinity to public transport, service and schools. At the end of the year, JM had 37,800 available residential building rights (35,900). Capital tied up in building rights (development properties in the balance sheet) for residential units amounts to SEK 7,815m (8,917) at the end of the year.

APPRAISAL OF RESIDENTIAL BUILDING RIGHTS

At the end of the year, an appraisal of all of JM’s residential development properties was performed in cooperation with an external appraisal company. The appraisals were made using an assumed sales price for the properties at actual cash values.

THE BUILDING RIGHTS PORTFOLIO COMPRISES TWO TYPES OF BUILDING RIGHTS:

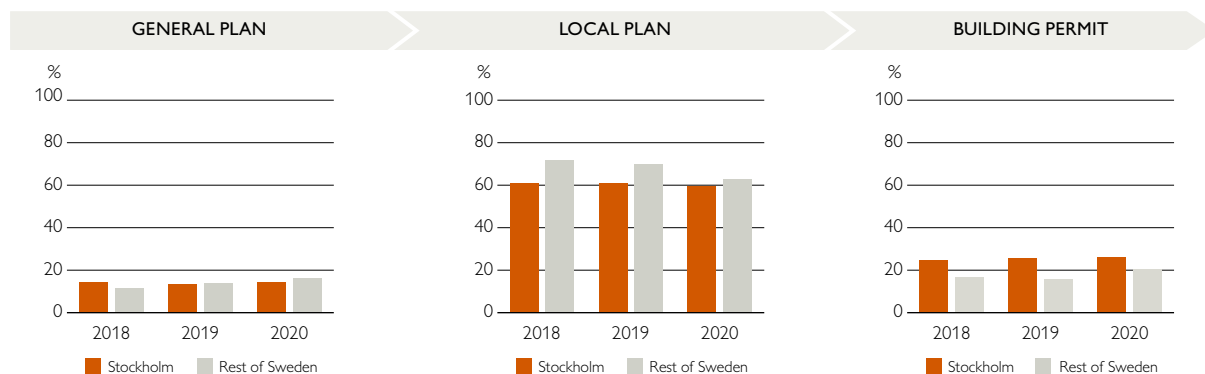
- Building rights in the balance sheet, 20,400 (21,100), corresponding to about eight years of production at the current rate of production
- Building rights available through conditional acquisitions or cooperation agreements, 17,400 (14,800). In most cases, JM has the opportunity to decide both whether and when to buy the land.

The benchmark for building rights in the balance sheet is five years (indicates the number of years it would take to produce the building rights portfolio JM has in its balance sheet at the current rate of production, calculated on a rolling 12-month basis).

The appraisals were based on the location, attractiveness, scope and type of building planned, the stage in the planning process and the time remaining until production starts.

The assessed market value of JM’s residential development properties amounts to SEK 14.3bn (15.6). The corresponding carrying amount is SEK 7.8bn (8.9). The 17,400 residential units available through conditional acquisitions were not included in the assessment.

DISTRIBUTION OF JM’S BUILDING RIGHTS IN DIFFERENT PHASES OF THE PLANNING PROCESS, SWEDEN ¹⁾

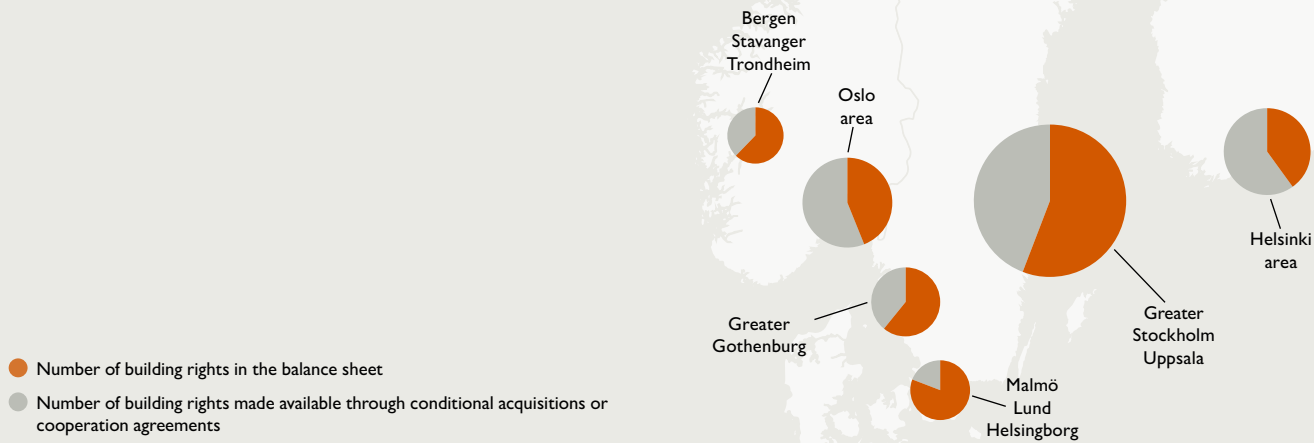


The general plan refers to the period before the work on local planning has begun.

The local planning decision refers to the period from when the work on the local planning began to the application for building permit.

The building permit phase starts with the application for building permit.

¹⁾ Number of building rights on the balance sheet.



Some of the development properties have old existing buildings that generate net rental income or which there are future plans for demolition. The appraisal of these buildings is based on current rental revenue and future use, taking costs for possible demolition into account. The market value of these buildings is included in the summary on page 27. The diagrams below show a breakdown of the market value of JM's development properties into different planning phases: General planning, Local planning and Building permit. General planning includes undeveloped land, which is not covered by the General planning. Local planning refers to the time from when the Local planning is started until the application for Building permit. Building permit process starts with the application for Building permit.

GEOGRAPHIC DISTRIBUTION OF AVAILABLE RESIDENTIAL BUILDING RIGHTS

Building rights refer to land that can be developed for future production; they are recognized as assets on the consolidated balance sheet under the heading, Development properties.

About 56 percent of the residential building rights reported in the balance sheet in Sweden are in the Greater Stockholm area. 15 percent of them are located in central Stockholm, including Lidingö and Liljeholmskajen, 62 percent in nearby suburbs and 23 percent in outlying suburbs.

JM'S AVAILABLE RESIDENTIAL BUILDING RIGHTS

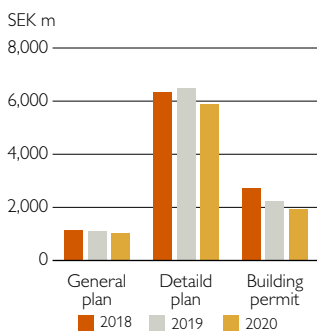
Geographic area	Number of building rights	
	2020	2019
Greater Stockholm (excluding Sigtuna, Upplands Väsby, Vallentuna, Norrtälje)	13,700 ¹⁾	13,600 ¹⁾
Malmö, Lund, Helsingborg	2,700	2,700
Greater Gothenburg	3,600	3,700
Uppsala, Sigtuna, Upplands Väsby, Vallentuna, Norrtälje, Linköping, Västerås, Örebro	3,600	4,100
Oslo area, Norway	4,800	3,800
Tønsberg, Drammen, Larvik and Skien, Norway	1,300	1,400
Bergen, Stavanger and Trondheim, Norway	2,400	2,400
Helsinki and Esbo, Finland	5,700	4,200
Total	37,800	35,900

¹⁾ including property development

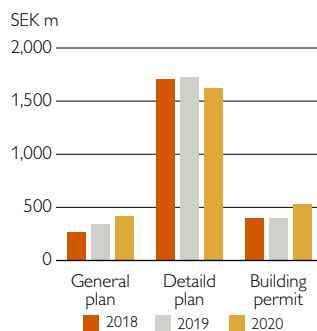
MARKET VALUE IS BROKEN DOWN AS FOLLOWS:

SEK bn	Market value		Carrying amount	
	2020	2019	2020	2019
Stockholm	8.8	9.8	4.2	4.9
Rest of Sweden	2.6	2.5	1.5	1.5
International	2.9	3.3	2.1	2.5
Total	14.3	15.6	7.8	8.9

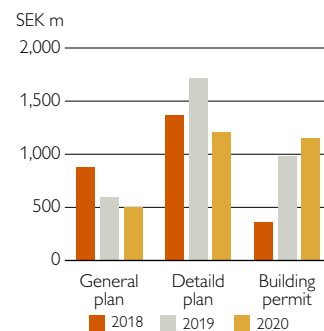
MARKET VALUE RESIDENTIAL BUILDING RIGHTS GREATER STOCKHOLM



MARKET VALUE RESIDENTIAL BUILDING RIGHTS REST OF SWEDEN



MARKET VALUE RESIDENTIAL BUILDING RIGHTS INTERNATIONAL



General planning refers to the time before start of Local planning. Local planning refers to the time from when the local planning is started until the application for Building permit. Building permit process starts with the application for building permit.

Rental units, management and housing services

Project development within the Property Development business unit occurs primarily in rental units. The operations also include the project development of commercial premises and residential care units.

Project development of commercial premises mainly takes place in the Stockholm region and is intended primarily to support residential development projects. Management is offered in JM@home.se.

JM RENTAL HOUSING

JM's strategy is to have continuous and long-term production of rental units, including student and young adult housing, primarily in the Stockholm region. This strategy also includes the possibility of building rental units in Uppsala, Gothenburg and Malmö.

During the year, the Alba Lilium project in Bredäng, Stockholm, with 138 rental units was completed. JM also continued its ongoing work to build a good building rights portfolio for future projects. Land allocation agreements were signed for 80 rental units in Sjöstadshöjden, Stockholm, and 60 rental units in Västertorp, Stockholm. A decision was also made to develop another phase of 200 rental units in Söderdalen, Järfälla.

In 2020, JM started a joint venture for the management of rental properties together with the Swedish Foundation for Strategic Research and the Knowledge Foundation. JM owns 20 percent of the company, which in the long-term will manage rental properties on site leasehold rights in attractive urban areas. The properties transferred to the company in conjunction with its establishment are Tjærtunnan and Alba Lilium in Stockholm and Alphyddan in Nacka, consisting of in total 418 rental units. The part of the return from the company that goes to the foundations will be used to support research and development within their assignments.

RESIDENTIAL CARE HOUSING

In 2020, local planning work continued for the residential care property Kaplanen in Uppsala. The project consists of approximately 80 residential units. During the year, JM won a land

allocation competition for residential care housing in Värmdö Municipality that consists of around 70 residential units.

COMMERCIAL PROPERTIES

During the year, the local planning for the commercial property K1 Karlbergs strand in Solna went into effect, and JM has taken over the property. The property will consist of around 19,000 square meters of rental space.

JM@HOME

JM@home meets JM customers' demand for both technical and financial management. In 2020, the operations continued to develop and grow, both in terms of geographic market and sales.

JM@home broadens JM's customer offering, and valuable experiences are reconnected to new projects.



MARKET VALUATION — PROJECT PROPERTIES ¹⁾	12/31/2020			
	Market value, SEK m	Carrying amount, SEK m	Area (000) m ²	Occupancy rate annual rent, %
Properties under development	1,615	1,215	22	9
Completed rental unit properties	0	0	0	0
Completed commercial properties	36	31	1	81
Total	1,651	1,246	23	89

¹⁾ Market valuations are performed by external appraisal companies.

Streamlining within the construction industry

Structured Project Development is JM’s initiative for industrialization and thus the streamlining of housing project development.

A development project has been ongoing within the Group for many years to standardize both the processes and the product. This has resulted in unified working methods in production, quality improvement and the transfer of experience as well as large purchasing volumes and reliable deliveries.

Since 2018 we have been working with the digitalization of processes and project information, and extensive investment is being made in BIM (Building Information Management).

Uniform processes and components continue to form the foundation that allows us to offer attractive housing at a low total cost.

PROCEDURES AND JM’S MANAGEMENT SYSTEM

The Operations System is JM’s management system and steers both procedures and product design. With clear governance and follow-up in the projects, the risk is small that legal or internal requirements on, for example, sustainability, will not be followed, and if this should still happen it can be quickly captured and managed at an early stage. The main procedures are Product Development, Building Rights Development, Project Development, Management and Contracting.

A foundation has been laid within Product Development to speed up the development of JM’s products. Other main procedures include detailed procedure maps for JM’s core business – project development of housing, from acquisition of development

land to the warranty and liability periods – and the contracting operations.

The procedures contain activities, which are grouped using internal time relationships, and detailed procedure descriptions with accompanying instructions in the form of documents or applications. As a whole, all of the levels in the system ensure that business-critical requirements are fulfilled.

The structure that is used, Process Classification Framework, complies with an international standard entitled APQC (American Productivity & Quality Centre).

PRODUCT

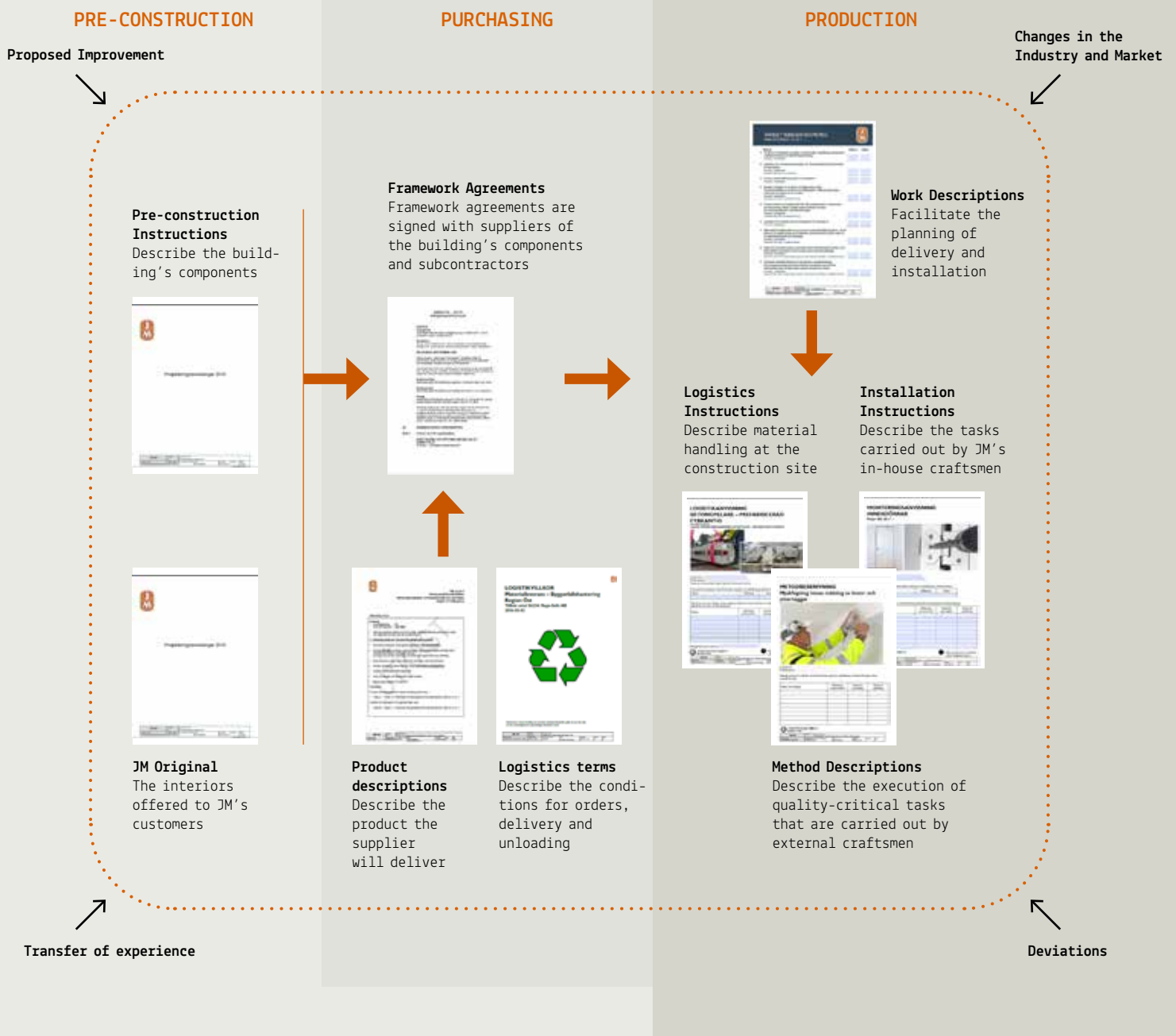
JM’s Product Policy Procedures (see illustration on page 31) serve as the base in Structured Project Development. These include Pre-Construction Instructions, JM Original, Framework Agreements, Installation Instructions, Method Descriptions and Logistics Instructions.

Product Policy Procedures contain detailed information about the design and execution of JM’s residential units. The content is updated at an increasing rate, which is steered in the Operations System’s main procedure: Product Development.

We strive to continuously improve both our processes and our products, thus achieving more efficiency. Via the Operations System, we ensure the important structure capital that contributes to JM’s success.



PRODUCT POLICY PROCEDURES



Risks and opportunities

Controlled risk-taking is decisive for good profitability. Risks and opportunities are two sides of the same coin. Skillful management of strategic, operative, financial and sustainability risks create opportunities and competitive advantages. By the same token, risks that are not handled properly can lead to insufficient profitability.

JM generates value through project development – by optimizing customer value, revenues and costs through the identification and acquisition of land on which to develop attractive neighborhoods and commercial premises. During the process, the project developer is faced with a number of risks and opportunities, which if handled appropriately can add to value generation and profitability. We also believe that we are transparent about our business from a sustainability perspective.

RISK MANAGEMENT – AN INTEGRATED PART OF DECISION-MAKING

Together with the clear focus on long-term approach and sustainable value creation found in JM’s business concept and strategy, risk management helps ensure that risk-taking in the business is kept at a balanced level. Risk management is therefore an integrated part of decision-making at all levels of JM. It is subject to strategic initiatives from the Board and management, and a current risk analysis is regularly presented to the Audit Committee.

Procedures for project oversight, monitoring and follow-up are designed to reduce business and implementation risks. This applies in particular to the initiatives produced within the framework of Structured Project Development, which help reduce the operational risks in the business. All significant business and project decisions are analyzed with regard to both risk and opportunities.

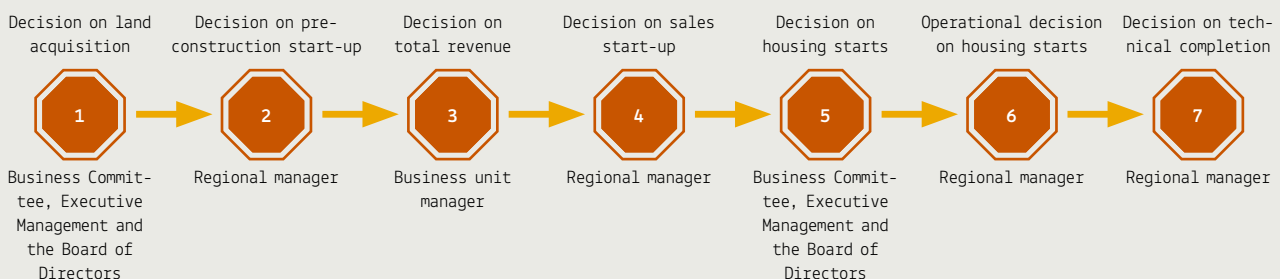
Climate-related financial risks and opportunities have been identified and analyzed during the year to meet recommendations in the new framework TCFD (Task force on Climate-

ANALYSIS OF RISKS AND OPPORTUNITIES IN THE DIFFERENT PHASES OF PROJECT DEVELOPMENT – EXAMPLES

Decision situation	Risks	Opportunities
Land acquisition	Misjudgment of customer demand Modified municipal planning Misjudgment of technical difficulties and soil contamination	Attractive building rights Technical development with regard to management of environmental risks
Pre-construction start-up	Delays, increased costs	Customized design
Sales start-up	State of the economy, interest rate level	Right pricing
Housing starts	Uncertainty related to sales Delays, increased costs	Optimized efficiency in planning and production
Production	Work environment deficiencies Delayed occupancy	High level of security and good working climate Weather-proof production
Occupancy	Quality deficiencies Delayed occupancy	Swan Ecolabel housing Satisfied customers
Guarantee/Management	Climate shell exposed to more extreme weather	Robust product

related Financial Disclosures). The work with TCFD is described in more detail on pages 36–37.

DECISION GATES IN STRUCTURED PROJECT DEVELOPMENT



In 2020, the most important risks at JM, in addition to the macroeconomic development, were related to COVID-19's impact on the housing market. After some uncertainty on the housing markets in Sweden, Norway and Finland during the second quarter, all of the markets recovered during the remainder of the year. A good sales and reservation level in current product balances the risk in the business, where the production capacity and cash flow have been safeguarded during the year. Housing starts during the year were limited slightly by the weaker period due to COVID-19 and drawn-out planning processes. A more detailed description of the risks JM faces and how we are managing them is provided in the Board of Directors' Report on page 83.

Going into 2021, the market risk related to COVID-19 has decreased, but the company is prepared for a potential deterioration in the market. The planning processes on our primary markets continue to play a key role in the rate of production starts.

BALANCE SHEET

The land acquired by JM is entered in the balance sheet as development property. When production begins for each project phase, the carrying amount of the property is transferred to the project and included among the project's costs. In the Swedish operations, land ownership is transferred through a sale to a tenant-owners association, which during the course of the project is invoiced on an ongoing basis in accordance with an agreed payment plan.

CASH FLOW

Since projects run over a long period of time, efficient cash flow management is essential. JM's control systems and processes are structured to support and stimulate an optimal cash flow approach in all project phases. Decisions concerning acquisitions and housing starts are crucial business decisions that have a major impact on cash flow, and therefore undergo special scrutiny and evaluation.

FINANCE STRATEGY AND POLICY

JM's finance unit handles the Group's short and long-term financing, liquidity planning, cash management and financial risk management. The division of responsibility, organization and control of the Group's overall financing activities are regulated by a finance policy established by the Board.



The policy specifies the objectives for finance operations, overall responsibility and specific rules and limits. The objectives for the finance operations are to:

- support operational activities in residential and commercial project development
- optimize use of capital and cash flow management
- control and manage the financial risks to which JM is exposed.

JM's basic finance strategy is to clearly link cash flows from projects in progress and project properties to the Company's borrowing and interest rate risk management. This strategy provides the best control of financial risks.

In order to maintain flexible administration and cost-effective debt management, existing loan agreements are guaranteed by JM's excellent credit worthiness, which means that no mortgage deeds are provided.

TAX POLICY

The Board of Directors has adopted a tax policy stating the fundamental principles for how the Group handles taxes.

The manner in which JM handles its taxes shall be viewed from a sustainability perspective and guided by transparency, social responsibility and a clear contribution to the welfare of society. Significant taxes for JM include income tax, value added tax and sales tax (VAT), stamp duty, property tax, employer's contribution and special payroll tax.

The ambition is to pay the correct tax in each country where JM is operational based on the spirit of the law and regulations. The tax expense shall be handled with professional rigor as an important part of the company's income statement, and the tax flow shall be optimized within the framework of the ongoing operating activities.

SENSITIVITY ANALYSIS OF THE BUILDING RIGHT PORTFOLIO

One way to reflect the dynamics in the building rights portfolio of building rights in the balance sheet is to perform a sensitivity analysis where all anticipated future cash flows from the portfolio are calculated at present value. This analysis includes a number of simplified assumptions designed to determine via a model the present value of JM's building rights portfolio given a number of assumed revenue levels per square meter. The calculations are not a forecast.

All 20,400 residential building rights JM has in its balance sheet are assumed to be distributed evenly over eight years of production. A standard residential unit is assumed to be 80 square meters, the assumed tax cost is 20.6 percent, and the discount rate after tax is 6.0 percent. The calculation does not take any inflation into consideration. The calculation includes both the tax charged and the deduction effect from historic land investment of SEK 7,805m.

The tables on below show assumed revenue, including loans in tenant-owners associations, and project costs per square meter of apartment space excluding VAT. Using a number of average revenue and cost assumptions, the future cash flows of the entire building rights portfolio are calculated at present value. The analysis shows a strong leverage effect in value creation depending on the company's ability to manage both revenue and expenses effectively, and in particular the general trend for housing prices during the period. A price or cost change of SEK 1,000 per square meter corresponds to about SEK 1,000m, or approximately SEK 14 per share, according to the basis for this calculation.

JM's 17,400 residential building rights made available through conditional acquisitions or cooperation agreements are not included in the sensitivity analysis.

SENSITIVITY ANALYSIS, PRESENT VALUE IN SEK m FOR JM's BUILDING RIGHTS PORTFOLIO FOR HOUSING

Revenue/m ² , SEK ¹⁾	46,000	47,000	48,000	49,000	50,000
Cost/m², SEK ^{1) 2)}					
31,000	16,000	17,000	18,000	19,000	20,000
32,000	15,000	16,000	17,000	18,000	19,000
33,000	14,000	15,000	16,000	17,000	18,000
34,000	13,000	14,000	15,000	16,000	17,000
35,000	12,000	13,000	14,000	15,000	16,000

¹⁾ Excluding VAT

²⁾ Excluding cost of land

SENSITIVITY ANALYSIS, PRESENT VALUE SEK/SHARE FOR JM's BUILDING RIGHTS PORTFOLIO FOR HOUSING

Revenue/m ² , SEK ¹⁾	46,000	47,000	48,000	49,000	50,000
Cost/m², SEK ^{1) 2)}					
31,000	230	244	258	272	286
32,000	216	230	244	258	272
33,000	202	216	230	244	258
34,000	188	202	216	230	244
35,000	174	188	202	216	230

¹⁾ Excluding VAT

²⁾ Excluding cost of land

IMPLICIT VALUE OF CONDITIONAL BUILDING RIGHTS

JM had 17,400 available building rights at the end of the year through conditional building rights in Sweden, Norway and Finland. Normally, JM pays for these building rights in conjunction with the local planning gaining final approval. The building rights are then recognized in JM's balance sheet at acquisition cost as a development property. The acquisition price is normally based on the market value for the building rights at the time the terms of the agreement are met and the transfer occurs. The value of the development properties thereafter varies depending on price development of residential units and market valuations can be conducted based on prices in the area and specific project conditions.

It is normally not possible to sell conditional building rights, and the agreements have different periods of validity depending on the pre-conditions and agreement structure. Even if the conditional building rights normally do not have market prices, they still constitute secured continuation for JM's ongoing addition of building rights to be taken into production for residential project development.

With the conditional agreements as a basis, an implicit net present value can also be calculated for future cash flows in the conditional part of the building rights portfolio. Under the assumption that the conditional portfolio of 17,400 building rights is taken into production over a period of eight years, meets the target requirement of 10 percent of the operating margin, and has an acquisition cost for building rights that approximately corresponds to the current average market value in the balance sheet, the net present value after tax amounts to SEK 4.1bn at a discount rate of 6.0 percent. In other words, this can be viewed as an implicit value in JM's project development, in



addition to the market value of the development properties JM has recognized in the balance sheet in accordance with the above sensitivity analysis, assuming that the projects can be carried out operationally.

SENSITIVITY ANALYSIS, VARIOUS COST CATEGORIES, PROJECT DEVELOPMENT FOR RESIDENTIAL UNITS

Category	2020			2019
	Share of cost, % ¹⁾	Change, %	Effect, SEK m	Share of cost, %
Salaries/wages	13	+/-10	+/-110	15
Material	15	+/-10	+/-121	17
Land	19	+/-10	+/-156	10
Developer's costs	12	+/-10	+/-97	14
Pre-construction	4	+/-10	+/-32	5
Overhead	7	+/-10	+/-62	8
Subcontracting	30	+/-10	+/-246	31

¹⁾ Share of cost base for project development of residential units in Sweden was SEK 8.2bn in 2020 (SEK 7.7bn 2019).

Material refers to costs for in-house purchases of building materials. Land refers to cost for land expensed. Developer's costs are costs not directly related to contracting, such as interest on loans, municipal connection charges and registration of title. Pre-construction mainly relates to costs for technical consultants. Overhead refers to incidental expenses for setting up the building site and rent for fixed assets such as machinery.

MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES



Climate area	Impact on JM	Risk	Opportunity	Management
1. Costs for fuel	Production Completed construction	Increased cost: • Carbon dioxide tax • Energy tax • Renewable	Energy-efficient Attractive product Improved customer value	Managed according to: • Active product/production/ method development
2. Energy savings/consumption	Planning Production Completed construction	Increased cost: • Electricity SEK/kWh • Heat SEK/kWh • Cooling SEK/kWh	Energy efficiency New technological solutions Renewable energy	Managed according to: • Energy mapping • Technological solutions • Intelligent Homes
3. Costs of raw materials and products	Planning Production	Increased cost: • Raw materials • Materials • Imports • Logistics	Efficient planning Efficient production Choice of supplier	Managed according to: • Agreement management • Procurement • Framework Agreements
4. Climate-affecting products (concrete and steel)	Planning Production	Increased cost: • Concrete • Steel	Technological development Other materials, e.g. wood, climate-neutral concrete, and steel	Managing through participation: • Industry development • Research • Roadmaps
5. Increase in extreme weather	Land acquisition Planning Production Completed construction	Increased cost: • Climate shell • Regulation risk • Insurance • Water/waste • Municipal requirements	Robust climate shell that can withstand moisture and temperature Shortened production time due to milder winters	Managed according to: • Sustainability criteria transparency at acquisition • Robust products • Active product development • Structured production • Aftermarket
6. Elevated water levels	Land acquisition Planning Production	Increased cost: • Groundwater assurance	Choice of geographic and topographic location	Managed according to: • National Board of Housing's requirements • Municipal requirements (height above the water) • Technological requirements

CLIMATE-RELATED RISKS AND OPPORTUNITIES — TCFD

The Task Force on Climate-Related Financial Disclosures (TCFD) is a group appointed by the G20 countries' Financial Stability Board. The group has developed recommendations for harmonized and consistent climate reporting that promotes informed decisions among investors, lenders and insurers and creates a better understanding of climate-related risks in the financial sector. Companies have been reporting their impact on the climate for a long time, but TCFD focuses instead on how a change in the climate will affect companies.

Governance

JM has decided to follow the TCFD recommendations. The following work has been performed:

- Identified climate-related financial risks and opportunities in JM's residential development projects
- Integrated climate-related financial risks and opportunities in the company's other risk and opportunities

- Developed the sensitivity analysis to also include climate-related risks and opportunities, as presented in the table above
- Conducted overarching scenario analyses that are based on the analysis of JM's climate-related risks and opportunities above and the sensitivity analysis on the next page.

The Board of Directors is regularly updated on a general level about climate risks, and sustainability is part of the Board's strategy work. Climate-related matters are part of sustainability, which is represented in JM's decision-making models when relevant. Implementation in current decision-making forums occurs through mandatory control points in analyses and bases for decision-making. The management team is informed and handles sustainability matters via its Sustainability Council, within which a large part of Executive Management is represented. Climate risks and opportunities are one of the matters that are regularly handled by the Sustainability Council. The President and the Head of Sustainability are ultimately responsible for sustainability matters. Every property project takes steps to ensure that procedure descriptions and tools are used, for example, for managing climate risks.

SENSITIVITY ANALYSIS FOR VARIOUS COST CATEGORIES LINKED TO CLIMATE, PROJECT DEVELOPMENT FOR RESIDENTIAL UNITS

Category per climate area ¹⁾	2020			2019
	Est. share of cost, % ²⁾	Change, %	Est. effect, SEK m	Est. share of cost, %
Fuel	1	+/-10	+/-12	1
Energy	2	+/-10	+/-15	2
Material	15	+/-10	+/-121	17
Concrete and steel	10	+/-10	+/-79	10
Climate shell	7	+/-10	+/-54	7
Groundwater protection	1	+/-10	+/-7	1

¹⁾ Listed categories slightly overlap one another. The categories Concrete and Steel, Climate Shell, and Groundwater Protection are partly subgroups of the category Material.

²⁾ Estimated share of cost base for project development of residential units in Sweden was SEK 8.2bn in 2020 (SEK 7.7bn 2019).

Fuel refers to costs for fuel used at the construction site and for transports. Energy refers to costs for purchased electricity, heating and cooling for the business. Material refers to costs for own purchase of building material. Concrete and steel refer to the costs for in-house purchases of building materials that contain concrete and steel, and costs for building materials that contain concrete and steel purchased via subcontracting. Climate shell refers to costs for materials and products used for roofs, exterior walls, facades and bottom slabs. Groundwater protection refers to material costs to protect buildings from groundwater intrusion.

Strategy

Additional work has been carried out for the climate areas that are judged to have the greatest impact on JM’s business, where each climate area is linked to the different phases of project development: land acquisition, planning, production, and completion. Risks and opportunities and how such are managed are presented for each climate area in the table on page 36.

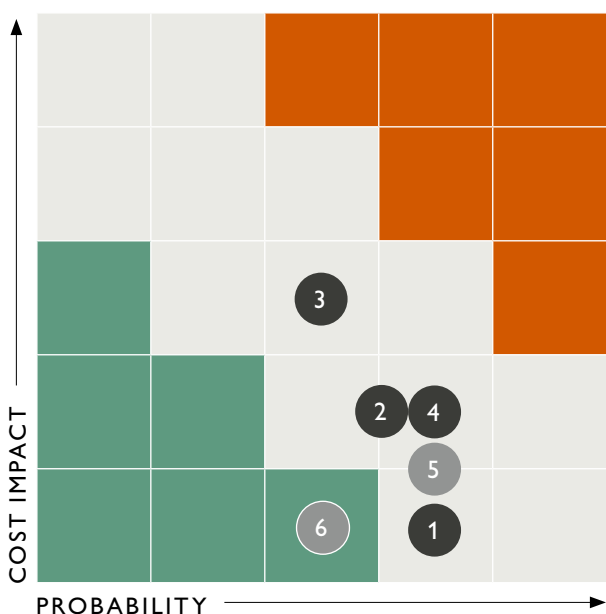
Risk management

TCFD breaks down climate-related risk into two categories: transition risks and physical risks. Of the six climate areas that are judged to have the greatest impact on JM’s business, four are classified as transition risks and two as physical risks. They are presented in the diagram below, where the sensitivity analysis constitutes part of the assessment basis. These risks have then been further assessed through a risk analysis that is presented in the diagram. The risks are described from a ten-year perspective, where JM’s impact based on both transition risks and physical risks is moderate. Scenario analyses show that JM’s operations face good conditions for an ongoing transition to adjust for changing climate effects, which is reflected in the diagram. From a longer perspective, there are also opportunities via indirect influence of demographic relocation and growth.

Targets and metrics

To follow up on relevant climate-related risks and opportunities, JM has several targets and metrics. An example of a metric is the assessed cost impact that is specified in the sensitivity analysis for cost categories linked to climate. We are seeing a slight increase in the share of the cost for the following cost categories in the sensitivity analysis: Energy, Material and Climate Shell. To reduce these costs, continued focus on energy efficiency, shorter lead times, and resource efficiency is needed. For products such as concrete and steel, which have an impact on the climate, we are seeing that the transition costs are increasing due to the search for climate-neutral products that require major investments, such as fossil-free steel and CCS (Carbon Capture and Storage). JM is currently already using some reinforcements made from recycled steel, and JM has also evaluated a more climate-friendly concrete in a number of its projects.

JM’s climate-related targets, emissions and key figures are based on the Green House Gas Protocol and are reported in accordance with GRI Standards on pages 41 and 141.



- 1 Costs for fuel
- 2 Energy savings/consumption
- 3 Costs of raw materials and products
- 4 Climate-affecting products (concrete and steel)
- 5 Increase in extreme weather
- 6 Elevated water levels

- Transition risk
- Physical risk

The diagram presents a starting point for calibrating and developing over time quantitative and subjective assessments in several dimensions. The method is based on cost assumptions derived from the above sensitivity analysis and supplemented with a subjective and simplified classification based on estimated probability of climate-related effects and the cost for related measures.

OUR WORK WITH

Sustainability

Adopting a long-term approach has been a guiding principle for JM from the very start of the company in 1945. A clear strategic focus combined with a well-balanced building rights portfolio and a strong emphasis on sustainability issues lay the foundation for JM to create value in the future as well.



Sustainable and responsible urban planning

JM helps create well-functioning communities for the people of today and tomorrow – the buildings JM builds today will be used for at least 100 years. As a leading project developer of housing, sustainability is our responsibility and our ambition.

For us, “sustainable urban planning” refers to financial, social and environmental accountability, which also encompasses the concept of Corporate Social Responsibility (CSR). We strive to strengthen our long-term, value-creating operations and their contributions to sustainable development. An important part is taking responsibility for the impact of our decisions and activities on society, people and the environment. JM’s clear strategic focus has given us a leading position on the market and good profitability. Sustainability work and consideration for the Precautionary Principle are central and integrated parts of our project development. JM’s Sustainability Report has been prepared in accordance with the GRI Standards at the core level. For more information, see pages 137–143.

OUR AMBITION

JM’s sustainability work is based on not only our business idea and vision, where sustainability plays a central role, but also our values, including sustainability, staff and work environment policies, codes of conduct and ethical guidelines. These describe the commitments and the ambitions of the Group when it comes to sustainability. JM has conducted a materiality analysis to identify its material sustainability aspects – the areas that are considered to be the most important for JM’s long-term value creation and in which JM strives to always improve. In order to make an improvement in our operations, we have prepared for each sustainability aspect long-term goals for 2030, which is in line with both the UN’s sustainable development goals and more short-term operational goals. The work to achieve the goals for each aspect is managed by appointed administrators within the organization through systematic and scheduled work.



ORGANIZATION

JM has two forums that are responsible for the Group’s sustainability work. The Quality and Environmental Council is responsible for the overall governance of the operations, and the Sustainability Council is responsible for coordination within the area of sustainability. The members of the Quality and Environmental Council consist of the managers of the business units and the regions, and large parts of Executive Management participate in the Sustainability Council. The CEO and the Head of Sustainability are members of both forums. The Head of Sustainability is responsible for the Environment and Sustainability Department, which proposes targets, provides support, and coordinates and drives the development of the sustainability work in the Group. Environmental responsibility is distributed between different roles in the building projects and is supported by regional quality and environmental coordinators.

GOVERNANCE AND FOLLOW-UP

Sustainability work is governed in the same manner as the rest of the Group’s operations, i.e. through the Operations System – JM’s management system. This system steers both procedures and product design to secure long-term value creation for customers, owners, employees and society. The Operations System covers the entire development process, from property transactions, project management, project design, purchasing, production management, sales and the customer’s interior design choices to management and warranty and liability periods. Our governance and the improvements we implement in the area of sustainability thus have a direct impact on the entire operations. Governance is then followed up and evaluated on a regular basis through our indicators and key financial figures as well as the internal audit.

STAKEHOLDER ENGAGEMENT

It is very important for JM to maintain an open dialogue with its stakeholders. The operations’ most important stakeholders have been identified through our materiality analysis and are updated on a regular basis. The stakeholder groups that we have identified are both the most important for us and the most affected by our operations. Through ongoing stakeholder dialogues with these groups, we capture their expectations and wishes, which then

Among other things, in 2020 we:

- Received Swan Ecolabel certification for projects in all countries within the JM Group
- Carried out test projects with climate-reduced cement
- Opened JM's first Logistics Center with completely renewable fuel for vehicles, which streamlines the transport flows to and from the construction sites
- Introduced an incentive program for the construction sites that have been most successful with waste sorting in relation to JM's targets
- Introduced waste as a parameter to be evaluated for the possibility of receiving variable pay
- Conducted test projects with fossil-free construction sites with evaluation of electric machinery
- Participated in development projects to enable climate calculations in all JM construction projects
- Surveyed stakeholders' views on JM's sustainability work and updated the materiality analysis
- Conducted test projects with climate-neutral painting work
- Conducted test projects with pre-cut plasterboard to reduce waste volumes
- Continued successful apprenticeship program for women
- Held JM Safety Week with a focus on safety culture.

serve as a basis for our internal improvement work. For more information about our materiality analysis and stakeholder dialogue, see pages 137–138.

COOPERATION

An important part of JM's work revolves around cooperation, achieving together with other organizations a greater change in society in line with No. 17 of the UN Sustainable Development Goals: revitalizing the global partnership for sustainable development. We therefore actively participate in several different initiatives, both within and outside of the construction sector, to drive development toward greater sustainability. JM has signed the UN's Global Compact initiative, thus taking a clear stance on issues related to human rights, labor law, accountability for the environment and anti-corruption. JM continually monitors these issues as a means of ensuring that nothing in its operations is in conflict with the UN's initiative. However, the risk of such a conflict is judged to be minor since JM operates exclusively in the Nordic countries where these issues are strictly regulated.

JM also has a Code of Conduct and a process for sustainable supplier chains to guarantee that our suppliers and subcontractors do not operate in conflict with Global Compact.

We are striving to reduce our climate-affecting emissions in line with the UN's, the EU's and the Nordic countries' climate targets and to have an environmental footprint close to zero by 2030. For us this means fossil fuel phase-out, energy efficiency measures, prioritization of building materials that are better for the climate, and 85 percent lower climate-affecting emissions compared to 2010 for the emissions over which we have direct control. JM's calculation and reporting of emissions from its operations that have an impact on the climate are based on the GHG Protocol (Green House Gas Protocol).

Credit rating agencies and fund management companies actively monitor JM's progress within sustainable development. For example, JM is listed on the OMX GES Sustainability Sweden

Index and the Ethibel Sustainability Index (ESI) Excellence Europe.

We report information about our environment and sustainability work to several external rating agencies, including Sustainable Shareholder Value, Sustainable Companies, and the Carbon Disclosure Project. In 2020, JM was ranked #2 in the Sustainable Companies ranking by DI, Aktuell Hållbarhet and Lund University in the category Consumption Goods.

Sustainability issues are sometimes inherent in the industry, and this work therefore requires broad cooperation between companies in order to be successful. Several examples of organizations in which JM is involved include:

- **the Haga Initiative**, a network in which JM is one of the initiators. The aim is to reduce greenhouse gas emissions from the business world, highlight the climate as one of the most important issues to address for the future and serve as a role model for companies that adopt a proactive approach to climate change
- **Fossil-free Sweden**, a platform for a dialogue between companies, municipalities and other actors who would like to remove fossil fuels from Sweden by producing industry-specific routes
- **BASTA**, the construction sector's shared system for phasing out hazardous substances simplifying product selection.
- **Mentor Sverige**, a non-profit organization that works with mentors for youth.
- **Red Cross**, the world's leading disaster relief organization. When JM closes its showrooms, the Red Cross takes over the interior.
- **Nätverket Renare Mark**, a forum to promote the development within the remediation of pollutants in the ground and water.

JM's Group-wide sustainability aspects and targets

Material sustainability aspects	Social contributions	Long-term goal 2030	Operational goal	Results		
				2020	2019	2018
Ethics and value creation  	Pursue long-term, responsible and stable housing development Contributes to the UN SDGs: No. 8: Decent work and economic growth No. 17: Partnerships for the goals	JM has long-term and ethically sound financial growth that contributes to the improved welfare of society	The operating margin should amount to 10 %, including gains/losses from property sales The visible equity ratio should amount to 35 % over a business cycle The average dividend over a business cycle should correspond to 50 % of the Group's profit after tax No ethical breaches based on JM's values	13.2 % 47 % 57 % 1	12.8 % 42 % 56 % 0	11.7 % 41 % 58 % 0
Product responsibility    	Develops sustainable cities and residential environments that meet today's and tomorrow's needs and requirements Contributes to the UN SDGs: No. 9: Industry, innovation and infrastructure No. 11: Sustainable cities and communities No. 12: Responsible consumption and production No. 15: Life on land	JM develops sustainable residential units and residential areas JM has the industry's most satisfied residential customers	All projects conduct early sustainability analyses in 2020 Industry's most satisfied customers according to: CSI (Occupancy) Sweden (S), Norway (N) ¹⁾ CSI (Long-term index) Sweden (S), Norway (N) ¹⁾	Introduced 3rd (S) 1st (N) 68 (S) 66 (N)	Implementing 3rd (S) – (N) ²⁾ 69 (S) 71 (N)	Tested in project 1st (S) 1st (N) 70 (S) 64 (N)
Responsible suppliers 	Works to strengthen labor law, human rights, anti-corruption efforts and environment responsibility in society Contributes to the UN SDGs: No. 8: Decent work and economic growth	JM promotes social responsibility in its operations and supply chain	Conduct at least four sustainability audits at our construction sites and in the supplier chain	2 ³⁾	4	4
Work environment 	Develop a workplace with a good and safe work environment Contributes to the UN SDGs: No. 3: Good health and well-being	JM has the industry's best work environment and no workplace accidents	No accidents with absence due to illness for in-house personnel and subcontractors in 2030 (number per million working hours) Goal for sick leave from scheduled working hours is < 3.5 % in Sweden, < 5 % in Norway and < 2 % in Finland	12.4 4.1 % (S) 6.1 % (N) 1.7 % (F)	13.3 3.8 % (S) 5.8 % (N) 2.6 % (F)	15.4 3.6 % (S) 5.6 % (N) 3.8 % (F)
Diversity and equal opportunity  	Develop a workplace that offers diversity and equal opportunity Contributes to the UN SDGs: No. 5: Gender equality No. 10: Reduced inequalities	JM works towards an even gender distribution and diversity among its employees	Even gender distribution among salaried employees (at least 40/60 women/men) in 2030 20 % female wage-earners by 2030 The number of women among JM's wage-earners is targeted to increase by a factor of 10 between 2015 and 2021	38/62 7.1 % 9.3 (S) 12.0 (N)	37/63 5.2 % 7.3 (S) 8.0 (N)	35/65 3.4 % 4.5 (S) 8.0 (N)
Skills 	Allow people to develop and contribute to long-term value creation Contributes to the UN SDGs: No. 4: Quality education	JM is one of the commercial market's most attractive employers	All salaried employees have goal and performance reviews, which include individual development plans	96 % (S) 89 % (N) 80 % (F)	94 % (S) 93 % (N) 89 % (F)	
Resource efficiency 	Contribute to greater resource efficiency and reduced environmental impact in society Contributes to the UN SDGs: No. 12: Responsible consumption and production	Total amount of construction waste reduced to 15 kg/GFA by 2021 JM has an efficient and largely circular flow of materials	Total amount of construction waste reduced to 15 kg/GFA by 2021 Increase in the percentage of construction waste that is sorted into fractions for recycling to 80 % by 2020 ⁴⁾ Decrease in the percentage of construction waste that is sorted as mixed waste to 2 % by 2020 ⁵⁾ Decrease in the percentage of construction waste that is sorted as burnable waste to 15 % by 2020 ⁵⁾ Decrease in the percentage of construction waste that is sorted as landfill waste to 3 % by 2020 ⁵⁾ Decrease in the percentage of construction waste that is sorted as other waste to 20 % by 2020 ⁶⁾	35 (S) 28 (N) 65 % (S) 89 % (N) 4 % 27 % 3 % 9 %	34 (S) 33 (N) 59 % (S) 79 % (N) 5 % 31 % 5 % 16 %	34 (S) 36 (N) 59 % (S) 76 % (N) 4 % 31 % 4 % 16 %
Small impact on the climate  	Contribute to a society with a small impact on the climate Contributes to the UN SDGs: No. 7: Affordable and clean energy No. 13: Climate action	JM's operations have climate-affecting emissions close to zero	Calculated energy need for residential units is 25 % lower than each country's applicable norm. The Swan Ecolabel energy requirements replace the targets in projects in Sweden and Finland that enter the pre-construction stage as of 2018. Reduction in greenhouse gas emissions of 20 % by 2020 compared to 2015 ⁷⁾	27 % –9 %	30 % –9 %	33 % 0 %

¹⁾ The survey is conducted by Prognoscentret, an independent market analysis company that focuses on the construction industry in the Nordic region. Industry comparisons are not available for Finland. ²⁾ Satisfied Customer Index for Norway in 2019 is 72, did not place in top three. ³⁾ In 2020, due to the coronavirus pandemic, it was not possible to conduct sustainability audits to the same extent as before. ⁴⁾ See page 44 for initiatives related to reduced waste volume. ⁵⁾ The waste target applies to JM Sweden. See page 44 for initiatives related to reduced waste volume. ⁶⁾ The waste target applies to JM Norway. See page 44 for initiatives related to reduced waste volume. ⁷⁾ The target is measured in tons of CO₂e per produced residential unit.

Environmental work

As a project developer of housing, we face both considerable possibilities and great responsibility for influencing our operations and products to minimize environmental impact.

CLIMATE

JM's climate target is for the company to have an impact on the climate that is **close to zero** by 2030. The target includes emissions from the use of fossil fuels, transports of people, purchased energy, transports of building material, fuel for construction machinery, energy consumption of our residential units in their first two years, and emissions from the manufacture of the building materials that we can influence.

Energy consumption in the operations

JM works proactively to reduce energy consumption throughout the entire operations. For example, all construction sites have energy-efficient sheds and low-energy lighting with daylight and motion detectors. We have also opted to purchase Good Environmental Choice electricity for our entire Swedish operations. We work continuously to introduce measures identified in our energy mapping, which has been conducted in accordance with the Energy Mapping in Large Companies Act (2014:266). This mapping includes energy use in buildings, the operations and transports over which the company exercises control.

Transports and construction machinery

Transports of materials, transports of people, and construction machinery are responsible for considerable emissions of substances that impact health, the climate and the environment. JM procures the majority of its material transports and work requiring heavy machinery from suppliers. We are developing the logistics procedures together with these suppliers. JM also has projects underway to increase the opportunities to take control over deliveries to and from our construction sites. As part of this work, we started a logistics center during the year.

JM applies the Swedish Transport Administration's and the major Swedish cities' (the so-called Order Group's) joint environmental requirements on construction, including the following:

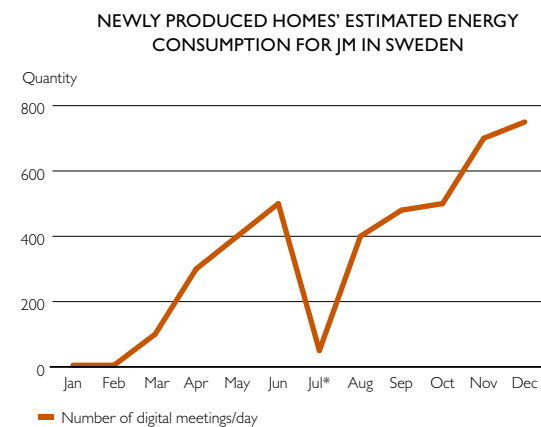
- Requirement of at least 20 percent renewable fuel in addition to the Reduction Obligation Act
- Requirements on age, Euro class and the maximum greenhouse gas emissions from vehicles
- Requirement on reporting of fuel consumption.

In addition, we have guidelines for business travel that prioritize rail travel over air travel (and we climate-compensate via Plan

Vivo for any air travel we still do). In our guidelines for company cars, we have been prioritizing environmental performance for a long time.

Digital meetings

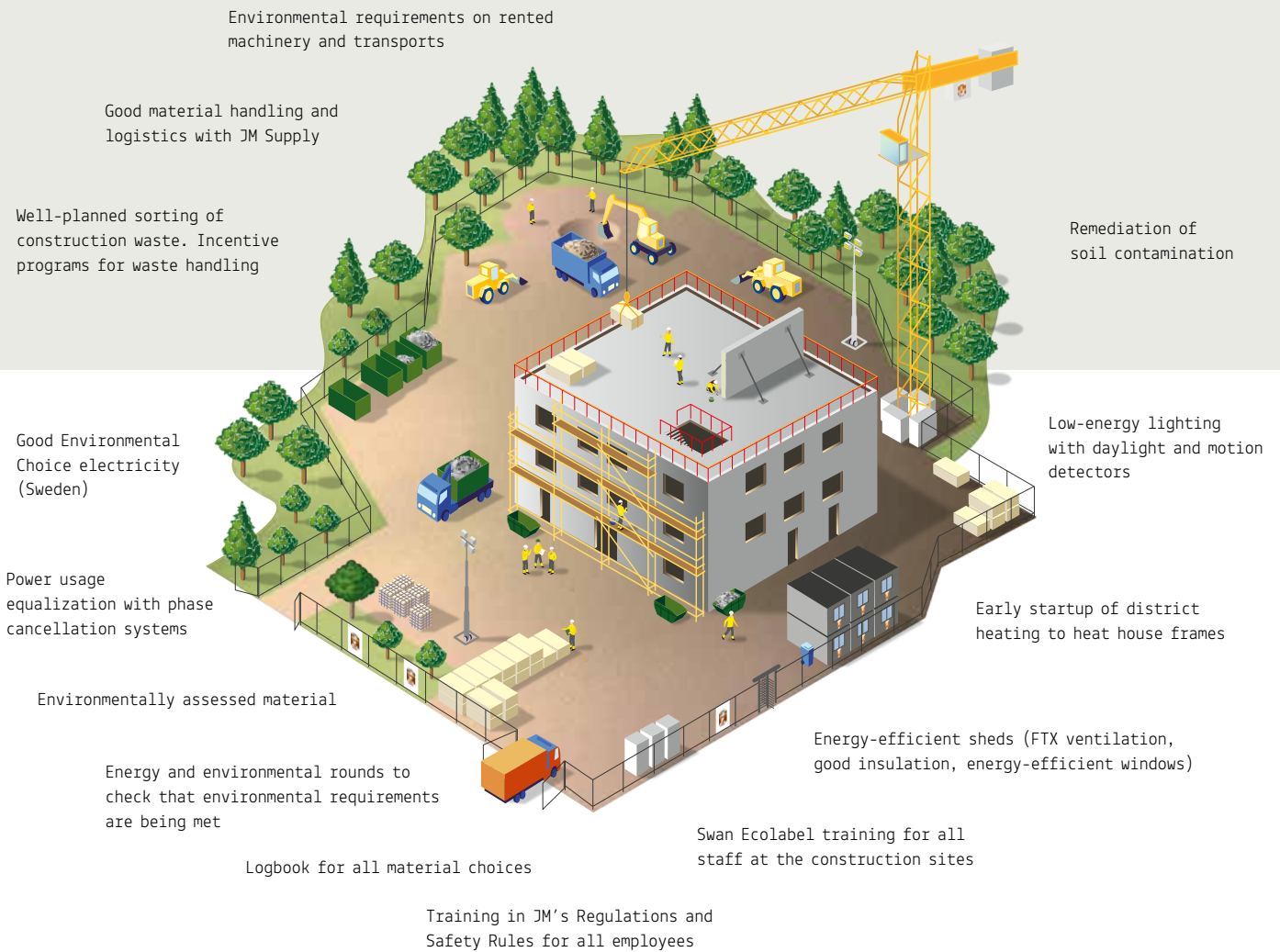
There have been a lot of challenges in 2020, including a large percentage of employees suddenly being forced to use their home as their primary workplace. The rapid transition to digital meetings has exceeded expectations, and another positive side effect is that this has reduced JM's climate impact from business travel by 269 tons of CO₂e. The following diagram shows the number of digital meetings per day at JM during the year.



* Few digital meetings during the vacation period in July.

Climate declaration for buildings

During the year, the construction industry has focused on preparing for the pending Climate Declaration for Buildings Act that is expected to enter into force on 1 January 2022. Under the act, a climate declaration must be prepared when constructing new buildings that apply for building permission after 1 January 2022. The climate declaration includes the climate impact from the entire construction phase, which includes emissions from material production, transports, and the construction site. The building elements included in the climate declaration are the building's climate screen, structural components, and interior walls. The calculated climate impact will be stated in the climate declaration as kg CO₂e per square meters.



JM is preparing for the new legislation by developing climatecalculations for a number of residential development projects. This requires the export of data from the production calculation to a life cycle analysis tool. It will eventually be possible to upload the calculations automatically to the LCA tool.

HAZARDOUS SUBSTANCES, HANDLING AND CHOICE OF MATERIALS

Choice of materials

Having a non-toxic environment is one of Sweden's national environmental goals. It is also one of the UN's global targets for sustainable development, Agenda 2030. Combating the use of substances that are hazardous for the environment and people's health is part of JM's sustainability policy.

JM has had procedures in place for a long time for the environmental assessment of building material to check that the materials we use do not contain hazardous substances or in any other way unnecessarily burden the environment. This creates a healthy indoor environment for our customers and a better work environment for our employees building the residential units. This also reduces the risk that harmful substances are

spread in nature. When there is not enough information about a material's qualities, we employ a precautionary approach and do not use the material. JM's requirements on environmental assessment are adapted to the market's leading systems – BASTA, Byggarubedömningen and Sunda Hus. The Swan Ecolabel certification entails additional requirements on material choices and database registration.

Moisture protection

All pre-construction and installation work in JM's residential units complies with requirements under the industry rules "Safe water installation". The industry rules also apply to installed heating systems. JM works with methods during planning and production that avoid humidity in the building to prevent moisture and water damage. We use moisture-tolerant and mold-resistant gypsum wallboard for both wet areas and exterior wall constructions. Stringent requirements are also placed on vapor barriers for bathroom walls in accordance with current construction regulations.

Contaminated land, water and buildings

In the metropolitan areas, the land used to build housing often consists of former industrial sites that today have been developed into areas where a lot of people want to live. There were many toxic chemicals on the market 60–100 years ago but little knowledge about their impact on our health or nature. The authorities' focus on these matters has increased sharply in recent years, which means increasingly stricter requirements on investigations, risk assessments, assessments of implemented measures, water rulings, controls and reporting. In 2020, despite restrictions and remote working due to the pandemic, JM conducted a number of such major investigations and remediations, during which toxins were removed from an area the size of 20 soccer fields, thus fulfilling the current environmental requirements – a major win for JM and its customers as well as society as a whole.

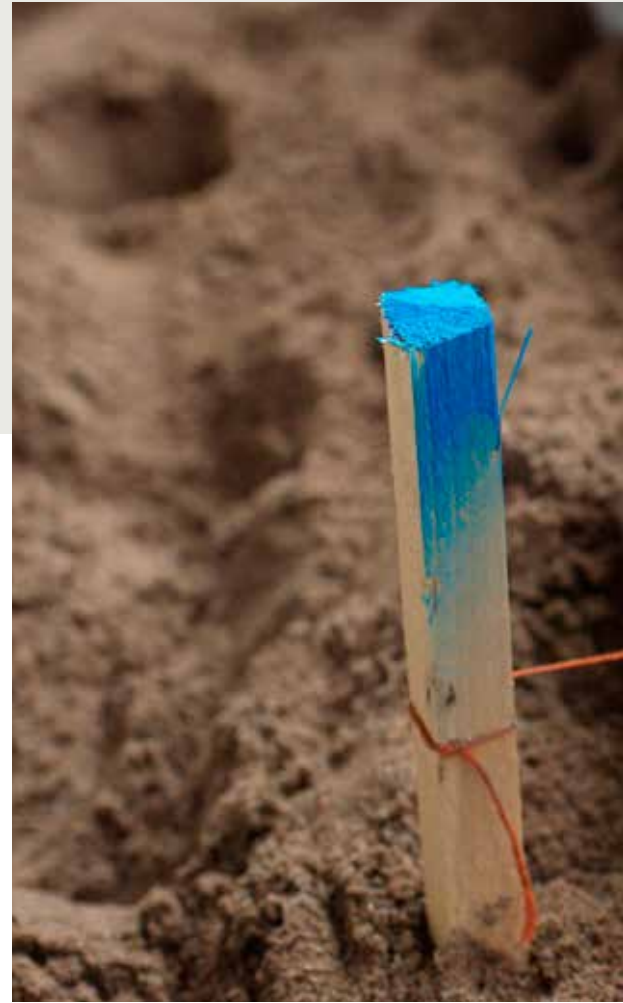
RESOURCE EFFICIENCY

Construction waste

JM will reduce its construction waste to less than 15 kg/m² GFA no later than 2030, which would be a reduction of approximately half compared to today's level. Since 2016, we have worked on the investigation and implementation of around 165 prioritized measures with the aim of decreasing the amount of building waste. This work engages JM's entire organization and is being carried out in cooperation with our suppliers and waste contractors. The project has now entered into a new phase with a focus on change management. The goal is to create a positive culture around resource efficiency, waste and source sorting within all areas of the Group.

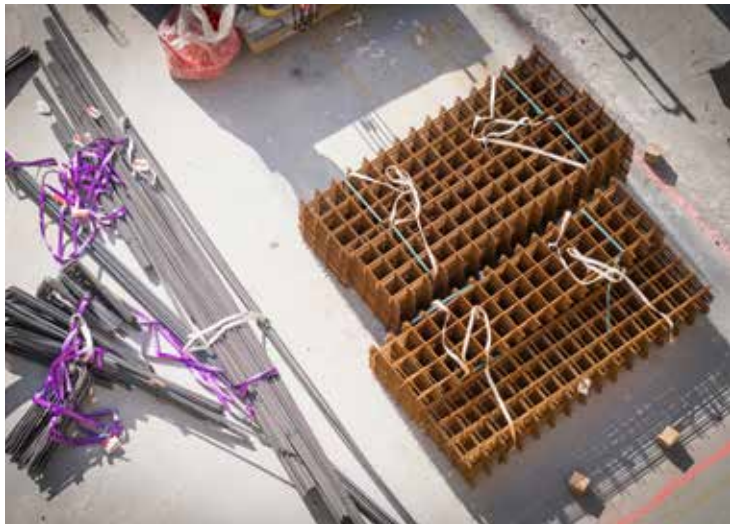
Examples of measures to reduce construction waste include:

- Reuse agreements for products and construction material
- Improved procedures for pallet management at construction sites, for example improved pallet return management
- Participation in industry collaborations to find efficient return systems for more load carriers, for example brick pallets and plaster inserts
- Expansion of the waste organization with national waste boards to share experiences and raise competence within the organization.



JM should also increase the percentage of construction waste sorted into recycling fractions to 80 percent. To achieve this goal, JM is working on:

- Preparation of Group-wide procedures for sorting at JM's worksites. National adaptations are implemented based on Sveriges Byggindeindustri's resource and waste guidelines for construction and demolition in Sweden and in consultation with JM's partners in construction waste handling in Norway and Finland
- A follow-up and forecast tool for production
- Development of training modules for the construction projects' waste coordinators
- Incentive programs for our projects
- Waste as a parameter to be evaluated for the possibility of receiving variable pay.



Swan Ecolabel residential units

LIVING IN A SWAN ECOLABEL BUILDING

JM has always worked with sustainable construction. All residential units that entered the pre-construction phase as of 2018 will be certified in accordance with the Nordic Swan Ecolabel. This makes us the first Nordic construction company to certify its entire production of residential units according to the Swan Ecolabel. The idea is that the efforts the Group has made over a period of years to create a healthy environment and sustainable development should be more visible for housing customers. Certifying JM's buildings in accordance with Swan Ecolabel means that the Swan Ecolabel's organizations in Sweden, Norway and Finland review and verify that JM meets very strict environmental requirements. Since JM has applied a methodological approach to its environmental work since the beginning of the 1990s, previous residential units have basically the same environmental and energy performance. That we meet all of the requirements for the Swan Ecolabel certification is good for the environment, the climate and, in particular, the people moving into our residential units. But what does the Swan Ecolabel mean for people living in a JM building?

“We are the first Nordic construction company to certify the entire Group's production of own residential units in accordance with Swan Ecolabel. This is a natural step in our efforts to be a market leader in sustainable housing.”

JOHAN SKOGLUND, PRESIDENT AND CEO

HEALTHY INDOOR ENVIRONMENT

In the Nordic regions, we spend approximately 90 percent of our time indoors. A large part of the Swan Ecolabel certification focuses on creating a healthy indoor environment. This means that the buildings are built from robust and healthy construction materials. Building panels, parquet flooring, insulation, paint, glue and adhesives do not contain substances that are harmful to the environment and health. In addition, the Swan Ecolabel requires JM's constructions to be moisture proof with a minimal risk of mold and that the buildings have good and function-tested ventilation.



Bicycle storage and bicycle parking

Buildings, entrances, and courtyards designed to promote social interaction

Environmental room with packaging collection

Green courtyards

LIVING SUSTAINABLY

We want to make it easy to live a sustainable life in our buildings. This is why all our residential units are equipped for sorting. Apartment buildings also have an environmental room for recycling additional types of material, light bulbs, electronics and batteries. Parking areas are prepped for the installation of charging stations for electric cars. Every tenth parking space has a charging station at occupancy. Bicycling parking is placed under a roof.

SUSTAINABLE FORESTRY

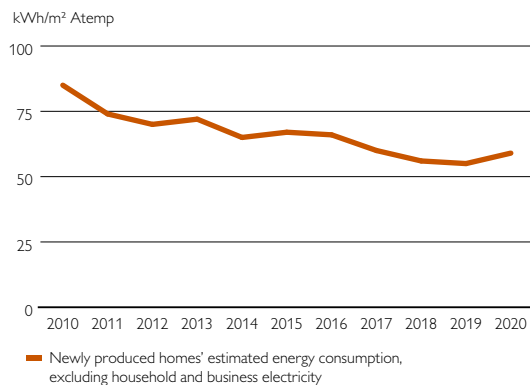
The wood in our Swan Ecolabel buildings comes from sustainable forestry, and a number of endangered tree species are forbidden. We do not allow wood that has been impregnated with fungicidal agents and germicides.



LOW ENERGY CONSUMPTION

Since 2008, JM has built buildings that consume much less energy than the requirements set out in each country's building regulations. Our Swan Ecolabel buildings are naturally also energy-efficient, which decreases both the operating costs and the environmental footprint. The residential units are fitted with energy-efficient appliances and low flow faucets and shower heads. The lighting in the common areas is need-based to save electricity.

NEWLY PRODUCED HOMES' ESTIMATED ENERGY CONSUMPTION FOR JM IN SWEDEN



JM uses a standardized method to calculate the energy use of newly produced homes, which enables a comparison over time. The diagram shows the average from housing projects completed each year. The calculated energy use has been reduced by around 40 percent since 2008.

Developing sustainable skills

We are convinced that skilled and committed employees are crucial for our success. Together we are building the societies of the future.

Far from all have the benefit of contributing something concrete with their work that will last for decades. At JM, we are working together in various ways to develop residential units and communities for coming generations. Our employees are part of the creation of buildings and landmarks that provide a roof for both homes and businesses. They are writing history.

Knowledgeable and committed employees are vital to our success. At JM, we want to create conditions for our employees to feel proud about their career. We do this by taking a long-term approach to everything we do. In our work to develop and build sustainable homes and thriving neighborhoods, there are plenty of development possibilities and exciting assignments.

THE YEAR IN RETROSPECT

Impact of the pandemic

2020 has been impacted by COVID-19. Therefore, there has been a clear focus during the year on adapting our methods of working to reduce the risk of infection and minimize a potentially negative impact on the business.



Our mapping of employees' experiences and the effects of widespread remote working show that remote working has largely worked well. However, employees miss the social context and the proximity to colleagues offered by the shared physical workplace.

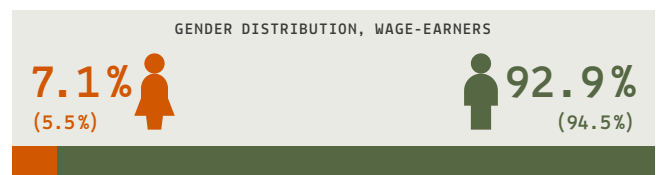
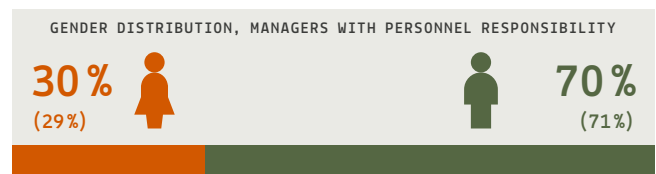
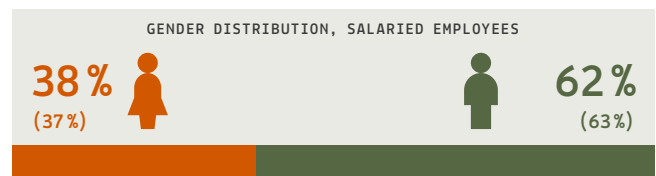
Well-functioning leadership is an important prerequisite for us to perform well and enjoy our work, even when we cannot meet in person. In order to strengthen leadership, web seminars were held on the theme Remote Leadership for JM's managers and leaders and digital workshops were held on cooperating and benefiting from digital work. Other measures taken to promote the

physical and psychosocial work environment are, for example, sending office equipment home on loan, workout classes online, and information about how to create a good work environment in the home.

The assessment is that the adjustment to the current situation has not entailed any major disruptions to the business, and it also in several respects contributed to a positive development.

- An increased degree of remote work contributed to an improved and broader maturity in digital working methods
- The limited possibilities for meeting physically sped up our development of and transition to digital skills development alternatives. This creates a good foundation for our continued development work in the area
- Recruitment for our central programs has been conducted digitally, while maintaining the same level of quality, which creates good conditions for continued development and streamlining in the area.

We will continue to learn from how the pandemic affected us and how it contributes to altered behavior and methods of working.



Information as at Dec. 31, 2020. Figures from 2019 are in parentheses.

INTERVIEW WITH ANNIKA GRANSTRÖM, CALCULATION
MANAGER STOCKHOLM PRODUCTION



For Annika and her colleagues, the transition to remote working during the pandemic had a number of positive effects.

How have you changed your method of working during the pandemic?

Most of the people in the group that I am leading are primarily working from home. I would say that our transition was easier than that of many others since digitalization is clearly on our agenda. We use Teams for meetings, collaborations, project planning, work distribution and skills development, etc. It is a very good tool for us, and we develop together in it. We have daily status checks with a camera every morning. It is a good way to start the day and open up for additional contact via Teams if needed.

The agenda consists of the following questions:

- How are you?
- What are you doing today?
- Do you need help with anything?

In our internal meetings in Teams, we are able to raise our opinion, and everyone is often contributing. We try to have more short meetings than a few long ones. We usually also often have multi-party calls where someone teaches the others about something. In these meetings, it is my experience that my employees find it easier to give feedback (very positive) than in a face-to-face meeting in a conference room. At the same time, we shouldn't forget that in the digital world there is a filter that we are not completely used to, i.e., that we talk via a screen instead of meeting in person. This does not give the same possibilities for reading the other people. We need to compensate for this.

Together with the team we look at how we will work in the future. We have regular follow-ups, either in person if possible or via Teams with the camera on. It is my experience that my employees have taken a big step forward in leading meetings; they find it easier to take a leading role in the digital world, and the meetings are better documented than they were before.

INTERVIEW WITH CECILIA FRITJOFSSON ABOUT
CUSTOMER SCHOOL



Cecilia, as the head of JM's customer service, has helped design Customer School and is also one of JM's supervisors in Customer School.

Hi, Cecilia. Can you briefly describe what Customer School is?

It's our big initiative, where we run training courses on JM's customer-centric view *Kunden är Grunden* (The Customer is Key), thereby creating the industry's most satisfied customers.

What has been your role in Customer School?

I helped design the Customer School concept and I am one of several internal supervisors at JM for the training courses themselves.

Why is JM pursuing this initiative?

We want to be clear that it is both through our product and the way we interact with others that we will become customers' natural first choice when buying a home.

Why do you think this is important?

There are so many people involved, all working toward our delivery. To start with a joint platform for decisions and behavior helps us in the entire chain, regardless of which stage we are working on or in which context we meet our customers.

In what way do you believe that JM's work with customers will shift as a result of Customer School?

By putting the customer's perspective in focus, we will continue to fortify our successful customer relationships.

CUSTOMER SCHOOL

A major initiative during the year is the implementation of JM's Customer School. Customer School is important for achieving our strategic target to be the customer's first choice and comprises a joint platform for how JM views its customers. The objective of the initiative is to ensure that everyone working in and with JM understands their contribution to how we create satisfied customers.

EMPLOYEE STRUCTURE – GROUP

	2020	2019	2018
Number of employees as of Dec.	2,530	2,559	2,630
– number of salaried employees	1,564	1,563	1,601
– number of wage-earners	966	996	1,029
Average age, salaried employees	43	43	42
Average age, wage-earners	40	40	40
Percentage of women among salaried employees, %	38	37	35
Percentage of women among wage-earners, %	7.1	5.2	3.4

AVERAGE NUMBER OF EMPLOYEES PER COUNTRY

	2020	2019	2018
Sweden	2,057	2,053	2,070
Norway	417	449	433
Finland	126	96	59
Total	2,600	2,598	2,562

Employeehip key for success

Fundamental values and engaged employeehip are key for our continued success. Therefore, JM’s employeehip rests on our joint values, our code of conduct and our employee skills. Together, they form the foundation for employeehip by clarifying the approach and behavior that create good company culture while also providing guidance in important questions.

Our employeehip is a significant part of the introduction for new employees and is woven into the skills development of existing employees. Employees’ commitment and well-being are followed up annually through our employee survey.

Activity in 2020:

- JM’s employee skills have been updated with components that have been identified as long-term success factors: customer focus, continuous learning, ability to change, digital skills, empathy and social ability.

Involved leadership

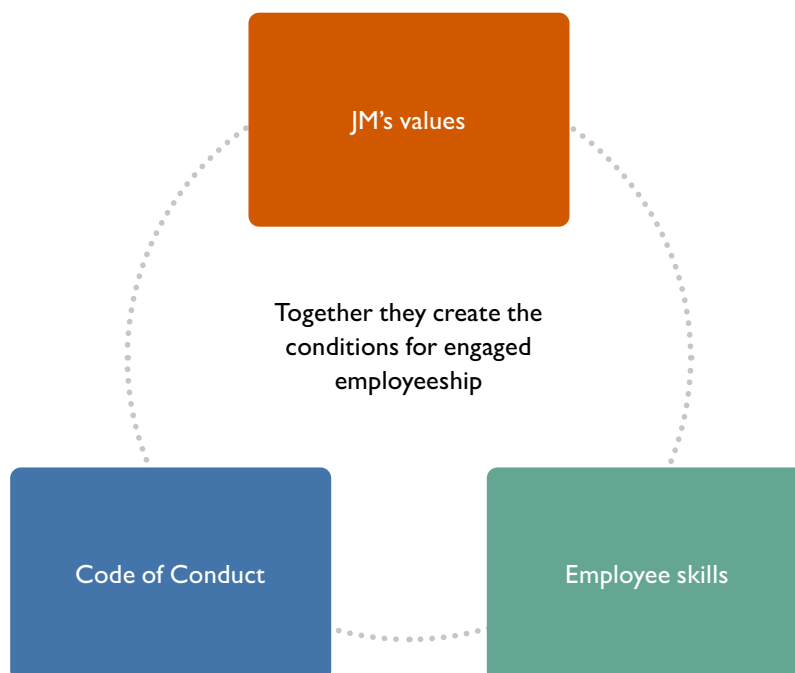
Clear and involved leadership creates conditions for strong performance and satisfaction among our employees.

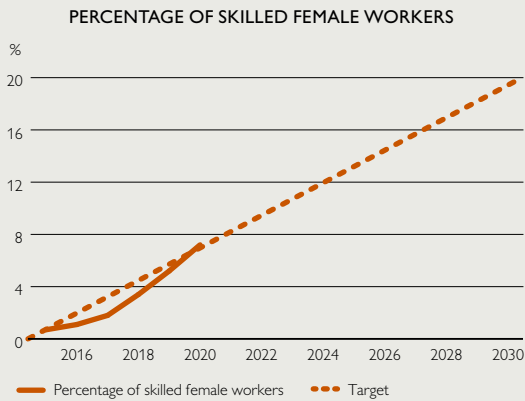
Our framework for leadership, Involved Leadership, describes the leadership behavior required to be a successful manager and leader at JM. By using our framework for recruiting, internal advancement and development of managers and leaders, we ensure that JM will have involved leadership. Our annual succession planning shows that we have a good supply of managers for strategically important positions.

To properly equip our managers and leaders, we offer a leadership program, freestanding leadership courses and coaching.

Activity in 2020:

- JM started a leadership program, Involved Leadership in Practice, based on our multi-year cooperation with Simon Elnäs, an industrial doctoral student at KTH Royal Institute of Technology.





Equal opportunity and diversity

Our goal is to be the most equal company in the industry and to reflect the ethnic diversity in society. The goal is for JM to have at least 20 percent skilled female workers in 2030.

To create the society of the future, our employees as a group need to reflect current society. Equal opportunity and diversity are also important for securing our long-term supply of skills. We must be an attractive employer for more skilled employees. We know that an equal and inclusive workplace increases job satisfaction and contributes to lower absence due to illness and fewer workplace accidents. Employees feel better, perform better, and contribute better to the company's development in diversified work groups.

To ensure that we reach our goal, we are integrating equality targets into our ordinary HR processes and working systematically to develop and improve our employees' work environment and conditions. We do this by annually mapping and preparing action plans for rectifying any deficiencies.

Activities in 2020:

- JM has actively promoted that suppliers of work clothes and protective equipment develop their range of products to be able to offer all employees good conditions at work
- Since 2017, we have conducted an apprenticeship program every year for skilled female workers. From 1.1 percent skilled female workers when the program started in 2017 to 7.1 percent in 2020 shows that we are well on our way to reaching the target of 20 percent in 2030.

Attracting the employees of tomorrow

It is crucial that JM be an attractive employer for individuals with different competences, interests, experiences, skills and personalities.

To attract the employees of tomorrow, JM is working actively with a long-term employer branding strategy – our brand as an employer – with a large number of activities targeting different groups. A central component of this work is our collaboration with high schools, professional schools, colleges and universities.

Activities in 2020:

- During the year, JM has met students at Labor Market Days and trade shows. We have held lunch lectures in different subject areas and arranged events where students were able to work on various questions. Most of the activities were held digitally due to the pandemic

- The Instagram account #livetpajm was started in Sweden, with the goal of being transparent about what it is like to work at JM and also show the breadth of roles for potential employees
- The alumni strategy, where we stay in contact with previous employees with the goal of in the future having the possibility of working with them again, has generated good results during the year. Several previous employees have chosen to come back to JM, equipped with more and new experiences
- Yet again, we have noted a sharp increase in the number of applicants to JM's central recruiting campaigns and programs. This was also true during the first few months of the year, before the pandemic. Our long-term work with employer branding, which has targeted schools and launched campaigns on social media, has generated results.

Sustainable employees

JM should offer a safe and healthy workplace, where employees will feel safe and secure at work – at JM we work safely or not at all!

All employees at JM are responsible for their own and their colleagues' safety and undertake to ensure that everyone at the workplace goes home without psychological or physical injuries after a day at work.

To ensure that JM offers a healthy work environment, we are working systematically and with a long-term approach to map and rectify deficiencies in the work environment. For us, leadership is very important for our employees' well-being. With clear processes and tools for our health strategy, we are creating conditions for sustainable employees.

Activities in 2020:

- As part of JM's alcohol and drug prevention efforts, subcontractors and consultants were included in the random alcohol and drug tests in 2020
- Alcohol and drug tests are administered already during recruitment instead of first after employment
- Initiated mapping of vibrations.

OUR WORK ENVIRONMENT

In 2020, some employees were forced to work remotely due to the pandemic and faced their own work environment challenges. Other employees continued to work at JM's workplaces with modifications related to, for example, distancing, breaks and meetings.



INTERNSHIP AT JM PIQUED HIS INTEREST

Jesper – from intern to trainee

Jesper Kullman is one of this year's trainees at JM. But he had to embark on a rather long journey to get here. When he graduated from high school in 2014 from the technical program at Fredrika Bremer high school in Haninge outside of Stockholm, his future was almost decided. He was going to study mechanical engineering or possibly industrial economics at college. But, during the summer, he received in the mail a brochure about the Tekniskprånget internship program. The idea of one day working in the construction industry and pursuing a degree in urban planning began to grow. Jesper applied for an internship at JM and was accepted. "Tekniskprånget was crucial for me. I got to see what the construction industry was like and the opportunities it offers," he says.

After his internship, Jesper applied for and was accepted to the urban planning program at KTH Royal Institute of Technology, and he graduated with a master's degree in civil engineering in late spring last year.

"It is really fun to be back; it has been almost five years. What I like about the construction industry is that we have an impact on people's lives. The buildings we are constructing will be homes for people for a long time. It is a lot of fun to find smart solutions and create conditions that will make the residents happy," says Jesper.

The four-month long internship offered valuable insight into the engineering profession. Jesper got to help by measuring inner walls and assisting foremen, and he saw all aspects of a building project. These experiences were beneficial during his five years at KTH Royal Institute of Technology.

"I had gotten to see how it worked in real life. This made it easier to absorb the theories at school!"

It is not a coincidence that he is back at the company where he was once an intern.

"During the internship I was introduced to JM and its company culture. It proved to be a very good climate, inclusive and open. With a little distance, after summer jobs and internships at other companies, I wanted to come back. It was more fun here at JM, quite simply!"

Straight into the construction industry – Cecilia is one of this year's trainees

In the fall of 2020, JM accepted ten new trainees, five at JM AB in Sweden, one at JM Construction, three in Norway and one in Finland. One of this year's trainees is Cecilia Sjöberg, who graduated last summer with a degree in industrial economics from Luleå University of Technology.

"I wanted to be in the construction industry since I wanted to work with something concrete and real. Hopefully my grandchildren will be able to point at a building and say "my grandma built that."

Trainees participate in the activities of five different departments, and take theoretical classes in between.

"I was first on the projects K7 and Kajplats 6 at Liljeholmen, and then I went to Operations Development. It was exciting to go straight out into production after my years at school, but at the same time Operations Development is closer to what I know and studied. I am looking forward to learning about the entire building process and all of its different components during my time as a trainee. Everyone at JM is so open and helpful, and they have welcomed me being both new and curious."



TEKNIKSPRÅNGET INTERNSHIP PROGRAM:

Tekniksprånget is an initiative where the private and public sector, the Government and employer organizations work together to strengthen Sweden's future supply of skills. The program is run by the Royal Swedish Academy of Engineering Sciences (IVA) on behalf of the Swedish National Agency for Education. Tekniksprånget makes it possible for recent high school graduates to

spend four months as an intern at some of Sweden's most interesting employers. It offers a fantastic opportunity to see what it is like to work as an engineer before being qualified, and thus potentially lead to a Bachelor's or Master's in engineering. JM has been accepting interns since 2015.

TRAINEE PROGRAM:

JM has had centralized trainee programs since 2010. The two-year program contains both practical and theoretical components and consists of five blocks. It provides good insight into and knowledge about our business, our processes and our culture. The goal of the program is to become an assistant pre-construction manager and in the long run feed into JM's supply of managers.

In parallel to the pandemic, JM has continued to develop its work environment, where in 2023 the goal is not to have any serious accidents involving either own staff or subcontractors.

During the year we began to measure the safety of our Swedish workplaces in a new way. The new Swedish measurement has been implemented based on JM's Finnish operations, which uses the same method as the Finnish Work Environment Authority and other large Finnish building companies. The major difference between our previous method "Neatness and Order" and the new method "Safety Measurement" is that the workplace is broken down into zones that are then reviewed systematically and in detail. For example, each residential unit, including the balcony, is its own zone, where pre-determined details are inspected. In Finland, research on the method has been carried out, and the conclusion that has been drawn is that the results from the safety measurement have a high correlation to low accident rates (see, for example, "The validity of the TR safety observation method on building construction", by H. Laitinen, M. Marjamäki and K. Päivärinta). In 2021, JM is planning to implement the method in full in Sweden and also start implementation in JM Norway.

At JM, cranes and other lifting equipment are widely used at our workplaces. In order to decrease the risks associated with them, we have implemented new procedures in 2020. Important features of the new procedures are that there must be a lift coordinator at all workplaces who plans the lifts and that only persons who are appointed to be lift responsible may couple loads and communicate with the crane driver. Everyone involved in lifting at JM's workplaces must have undergone training in responsibility and crane communication, and all wage-earners and salaried workers at our workplaces must complete the ISO-certified full-day training course "Safer Load Lifting." We are also planning more for the project's lifts during the pre-construction stage. Overall, these measures will further strengthen the safety at our workplaces.

This year's Safety Week was adapted due to the pandemic and consisted of three parts:

1. Safe Construction Training, where JM's previous safety training was replaced with the new, industry-wide and more comprehensive "Safe Construction Training", as part of which the employees' certificate for the completed training is stored in the industry-wide skills database that is provided by the ID06 identification system. To raise the safety competence level in the industry, the Swedish Construction Federation's member firms adopted a joint goal that everyone working at a Swedish Construction Federation-registered construction site must have completed Safe Construction Training no later than by the end of June 2021.
2. Daily activities in the form of targeted safety rounds, such as the control of ID06 cards and IDs, access routes, collective fall protection, personal protective equipment, enclosures, subcontractors' risk analyses, and follow-up of the new procedures for safer load lifts.
3. Follow-up of risk management, where all projects in the frame stage or later are analyzed to determine the extent to which JM had identified and managed relevant work environment risks already in the pre-construction phase.

At JM, we also continued our work to systematically investigate root causes to serious near-accidents and accidents, in part through weekly status checks, including action plans to ensure that what did happen will not happen again. In this way, we are working systematically to prevent near-accidents and accidents while at the same time increasing safety awareness at our construction sites. Situations that everyone should know about – to be able to take the proper protective measures – are communicated directly to the construction sites via the "SkyddsNytt" channel. In addition, monthly updates on JM's work environment efforts are announced via the "ProduktionsNytt" channel.

As of 2021, stricter regulations and safety rules will be implemented throughout the industry in Sweden. Helmets must have a chin strap that is used to ensure the helmet safely remains on the head during fall incidents, and protective goggles must be covered during operational tasks to eliminate the risk of anything unwanted intruding behind the regular protective goggles. These rules are already in effect in Finland, and JM is investigating how we can pursue these matters via the industry in Norway as well.

The work to ensure that our employees always have a safe working environment is continuous, and in 2021 we look forward to further enhancing the safety of our workplaces.

"At JM, we work safely or not at all."

JOHAN SKOGLUND, PRESIDENT AND CEO

Professional purchasing for sustainable supply chains

As a large user of building materials and services, JM has both the opportunity and the responsibility to ensure that its supply chains are economically, socially and environmentally sustainable.

STRATEGIC PURCHASING WORK

JM's purchasing procedure should secure the resources the operations need at the lowest total cost with the right quality and at the right time and ensure customer benefit through compliance with the company's requirements and guidelines on quality, the environment and ethics.

Purchasing work should be characterized by an openness to the feedback and wishes of our customers and employees, which means that we work together with our suppliers to continuously find new possibilities for improvement and development of both procedures and products.

Professional buyer

JM's centralized purchasing department has good insight into JM's own operations as well as those of our suppliers. As a clear and competent buyer, we offer our suppliers conditions that enable them to deliver good quality, which presents opportunities for sustainable relationships with the best suppliers and, from a total cost perspective, for finding a good balance between the specifications of the operations and what is best for JM as a business in the long run.

SECURE THE RESOURCES THE OPERATIONS NEED

In order to secure the resources the operations need at the lowest total cost with the right quality and at the right time, at JM we need to both capture and challenge all of the requirements imposed by our operations. We can achieve this through a close and cross-functional cooperation within the company.

Quality-assured requirements

We have well-defined procedures that unify and quality-assure the operations' requirements and needs.

Negotiating high-quality framework agreements requires clear and well-defined requirements. By involving operations in the entire purchasing procedure – in the strategy work as well as in the procurement phase and the administration of the framework agreements – we form the basis for strong cooperation and reduce the risks of errors and incomplete deliveries.

Close to the operations

We achieve a close, cross-functional cooperation within JM through the administration of our framework agreements.

By continuing to involve the purchasing function after an agreement has been signed, we gain within JM a shared view on what is required from our suppliers and how our framework agreements can be continuously improved.

It is also valuable for JM's strategic purchasing work to be able to contribute in a corresponding manner to the ongoing improvement work at JM by maintaining a dialogue with our suppliers and thus utilizing their skills and experience in our improvement work. In 2020, JM implemented its in-house analysis model for total cost in categories such as windows, architects and facade brick. Through efficient cross-functional internal cooperation, a number of improvement areas were identified that resulted in reduced total costs for JM.

- More than 600 suppliers – manufacturers, wholesalers, contractors and consultants
- More than 90 percent of the materials purchased in Sweden and 75 percent in Norway are purchased through a framework agreement.

SECURE CUSTOMER BENEFIT

Our suppliers are part of JM's brand and our face outward. The manner in which we live up to our social responsibility depends on how the supplier market and our contractors comply with JM's demands on quality, the environment and ethics.

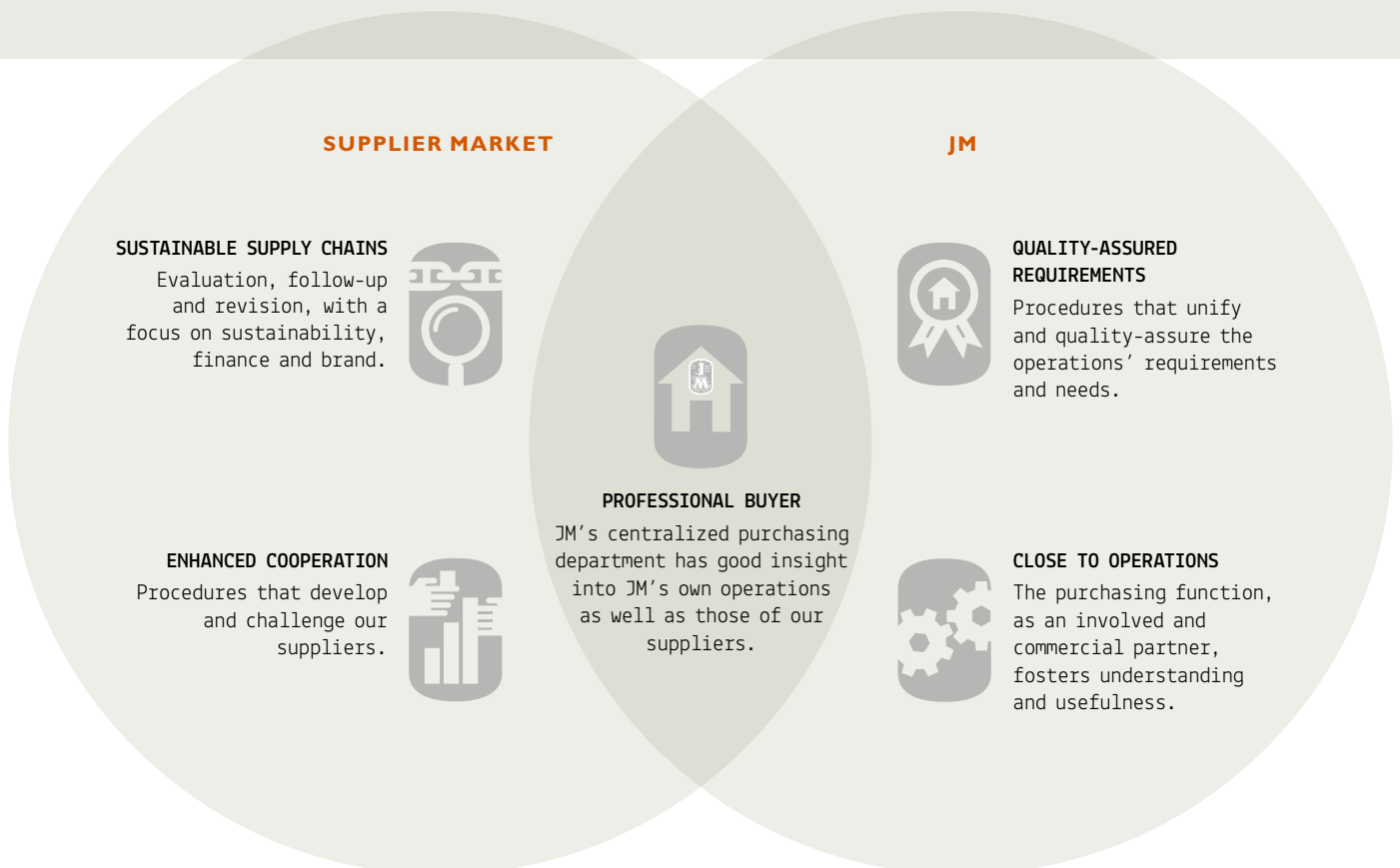
Through close collaboration with select suppliers, we build the long-term trust of our customers.

Sustainable supply chains

JM has procedures for evaluation, follow-up and revision to minimize the risks associated with brand, sustainability and finances.

We need to ensure deliveries for many years into the future. A long-term approach is therefore important when choosing suppliers. JM's suppliers contribute by offering our customers worry-free accommodation that is of high quality and has a high degree of functionality. We ensure JM's offer and the customer benefit by also preventing the risk of bribes and threats, unauthorized workers and the use of environmentally hazardous materials when building our homes.

In order to sign a framework agreement, suppliers must undergo a sustainability review and the products we purchase are



subject to environmental review. Products should meet clear environmental requirements so that we can certify all our buildings in accordance with the Swan Ecolabel.

The risk profiles of our framework agreement suppliers are continuously monitored from both a financial perspective and a delivery perspective. Continuity plans are available for the supplier categories that are deemed to have a high-risk profile or are critical for production.

Enhanced cooperation

JM has procedures for developing and challenging its suppliers.

An important part of how we enhance our cooperation with our suppliers is regular follow-up. We measure our suppliers performance through:

- Delivery precision – Because our construction sites report in our call-off system any deviations after receiving the goods, we generate metrics that we can regularly follow up on with our suppliers

- We evaluate our suppliers using the Satisfied Purchaser Index. These assessments provide a good foundation for active coaching of suppliers. A low Satisfied Purchaser Index triggers action plans
- The operations are also able to provide feedback on agreements and framework agreement partners electronically. This feedback is followed up on an ongoing basis.

Thanks to our ongoing follow-up, we are continuously improving the business value in our cooperation with suppliers. JM would like to work with the market's best suppliers, which contributes to our work to create long-term value and customer benefit.

By using a recently developed process to implement new suppliers in a controlled manner, we have been able to successfully introduce new framework agreement partners that we finalized collaborations with during the year.

Responsible decisions at all levels

Business ethics were identified in the materiality analysis as a significant sustainability aspect. JM's ethical guidelines have served as the foundation of our ethics work for many years.

In addition to JM's ethical guidelines, there is also a Code of Conduct for employees. The aim is to define our values and ensure proper behavior in our day-to-day activities. The Code of Conduct clarifies the values we believe in at JM. In order to achieve high penetration within the organization in terms of knowledge and understanding for the content, the Code is used in all recruitment and at all annual performance reviews.

JM's ethical guidelines and Code of Conduct were supplemented during the year with new guidelines for representation. These specify the rules for the JM Group with regard to benefits and gifts, external representation, study trips, conferences and conflicts of interest. The objective of the guidelines is to prevent bribes and corruption and avoid unlawful influence.

Ethical issues do not always have an obvious solution. Therefore, JM established an Ethical Council that consists of members of the company's management team. This Council can provide guidance regarding ethical matters. JM also has an whistleblower function that allows employees and external stakeholders to anonymously report suspected serious irregularities or abuses. Reports are made to a security company that is independent of JM.

COMPETING ON EQUAL TERMS

JM believes it is very important that the company makes ethically correct decisions since such behavior strengthens JM's credibility and competitiveness. In order for JM's business operations to be both profitable and ethical, we have developed controlled and transparent decision-making procedures that are applied to all business transactions.

JM is a part of society, and it is important that we take responsibility for how we can contribute to a society that is sustainable in the long term. One of the ways that we do this is by creating homes, a product that is important for society, that focus on sustainability. Employees who are responsible and highly competent compose the foundation of our operations. JM is also a significant tax payer in the markets where we are present.

The fact that JM primarily functions as a project developer of residential units means that there are fewer risks since the

business has less interaction with other actors regarding project-specific business arrangements. The most important business arrangements are the acquisition of land, purchasing agreements and the sale of residential units. By establishing clear governance and follow-up of projects throughout the entire project development process, and combined with the fact that all transactions are reviewed by multiple decision-makers before the transaction is finalized, JM has established a management method that prevents risks and ensures compliance with our ethical guidelines.

One example of good management could be our purchasing operations. Purchasing at JM is currently largely controlled by central agreements. The greater degree of central control in purchasing markedly decreases the risk of self-beneficial behavior. All suppliers with whom an agreement is being considered are reviewed by multiple decision-makers during a strict purchasing procedure before an agreement is signed. This guarantees that the internal procedures are followed in practice.

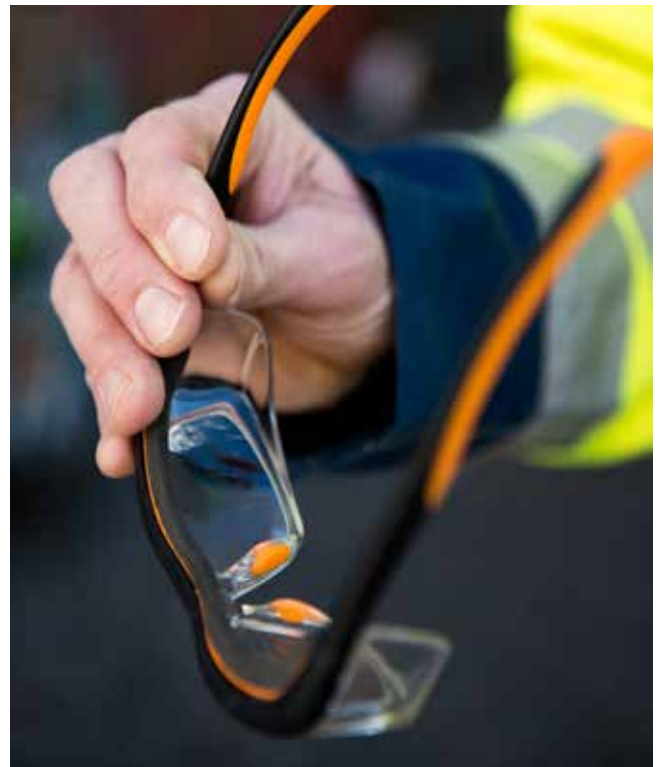


Table of Contents

	Page
Group according to segment reporting:	
<i>Unless otherwise specified, the amounts and comments on pages 58–76 are based on JM’s segment reporting.</i>	
Business Segments	58
Consolidated Income Statement	63
Consolidated Balance Sheet	64
Consolidated Cash Flow Statement	66
Consolidated Statement of Changes in Equity	68
Group Quarterly Overview	69
Group Five-Year Overview	70
Business Segment Quarterly Overview	72
Definitions and Glossary	73
Annual report documents according to the Annual Accounts Act (IFRS):	
<i>Pages 77–117 have been reviewed by JM’s auditors.</i>	
Board of Directors’ Report	77
Consolidated Income Statement	84
Consolidated Balance Sheet	85
Consolidated Statement of Changes in Equity	86
Consolidated Cash Flow Statement	87
Group according to IFRS and Segment Reporting:	
Notes to Financial Statements	88
Parent Company:	
Parent Company Income Statement	109
Parent Company Balance Sheet	110
Parent Company Cash Flow Statement	111
Parent Company Statement of Changes in Equity	112
Parent Company Notes to the Financial Statements	113
Proposed Disposition of Earnings	117
Auditor’s Report	118

For the consolidated income statement and balance sheet in accordance with IFRS, IFRS 15 *Revenue from Contracts with Customers* and other standards are applied. This means that revenue and profit/loss for JM’s operations outside of Sweden, JM International, are reported according to the completed contract method. Segment reporting and project management are reported according to the percentage of completion method for JM International as well.

For other differences between IFRS and segment reporting, see page 91.

Strong demand in Stockholm

MARKET

The average prices on the existing home market in Stockholm increased during the year despite a temporary drop at the outbreak of the pandemic. The total supply of residential units was normal, but the supply of newly produced tenant-owned apartments in the Stockholm region continued to decrease during the year.

Competition and supply of well-situated land for residential purposes is considered to be normal. However, prices of building rights have still been at a level that requires selective acquisition. The willingness of customers to sign a contract early in the process has been at a normal level. Residential units available for sale have planned occupancy largely in 2022 and 2023.

The tenant-owned apartment market was stable with the exception of the uncertainty in the spring due to COVID-19. Demand increased during the year, which resulted in increase in sales of residential units to 1,340 (1,120). JM is experiencing strong demand for freehold apartments, and production started on an additional 123 units during the year. In total, the number of freehold apartments in current production amounts to 544 at the end of 2020.

JM is the market leader in new production of tenant-owned and freehold apartments in Greater Stockholm, with several ongoing projects in the county. Some of the larger projects in the region are Älvsjöstaden and Liljeholmen in Stockholm, Kvarnholmen in Nacka, Söderdalen in Järfälla, Täby Park in Täby, Silverdal in Sollentuna, Igelsta in Södertälje and Dalénum on Lidingö.

REVENUE AND PROFIT/LOSS

Business segment revenue increased to SEK 6,358m (5,575). Operating profit amounted to SEK 926m (916), and the operating margin decreased to 14.6 percent (16.4). Profitability has remained good based on the good sales level. The operating margin, however, was somewhat negatively impacted by the lower start and price levels of project started during the period 2018–2019.

Cash flow during the year is in balance, given the decrease in development properties and payments related to the occupancy of previously acquired property.

BUILDING RIGHTS

During the year, building rights equivalent to approximately 450 residential units (590) were acquired in Södertälje.

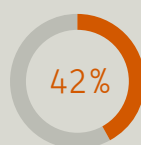
HOUSING STARTS

During the year, production started on 1,032 residential units (989). Housing starts were supported by a normal reservation level: 991 (906) were units in apartment buildings, of which 52 in Järfälla, 58 on Lidingö, 703 in Stockholm, and 89 in Sollentuna, and 89 in Täby. Of the housing starts were 41 single-family homes (83) in Solna and Österåker.

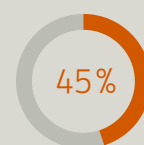
JM RESIDENTIAL STOCKHOLM

The business segment develops residential projects in Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction and the production and sales of residential units.

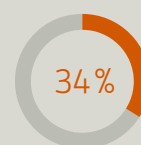
REVENUE
Percentage of the Group



OPERATING PROFIT
Percentage of the Group



NUMBER OF EMPLOYEES
Percentage of the Group



January–December

SEK m	2020	2019
Revenue	6,358	5,575
Operating profit ¹⁾	926	916
Operating margin, %	14.6	16.4
Average operating capital	5,372	5,811
Return on operating capital, %	17.2	15.8
Operating cash flow	1,064	1,118
Carrying amount, development properties	4,246	4,949
Number of available building rights	12,500	12,800
– of which building rights in the balance sheet	7,300	7,800
Number of residential units sold	1,340	1,120
Number of housing starts	1,032	989
Number of residential units in current production	2,878	3,171
Number of employees	872	900
– of which salaried employees	432	451
– of which wage-earners	440	449
¹⁾ Of which property sales	–	0



Facetten, Kungsholmen, Stockholm

Strengthened demand in the rest of Sweden

MARKET

The housing market in Lund, Örebro and Västerås had price increases during 2020 and are now at the same price level as in 2017, and in Malmö a clearly higher level than 2017. Average prices increased slightly on the other markets in the business segment. In Gothenburg and Malmö, the supply of newly produced residential units is on a significantly lower level, and in Uppsala the supply is somewhat lower compared to the corresponding period last year.

Competition for land for housing continues to be high in the most areas in the business segment. Interest in JM's projects is large, and customers' willingness to sign a contract early in the process is at a normal level. Sales increased to 1,208 residential units (1,084), and the demand has increased during the second half year.

The largest markets in JM Residential Sweden are Gothenburg, Malmö, Lund, Uppsala, Linköping, Västerås and Örebro. Large projects are underway in Eriksberg, in Södra Centrum and Kviberg in Gothenburg, as well as Hyllie and Dockan area in Malmö and Lomma Strandstad in Lomma. Projects are underway in Lunds Södra and Vipeholm in Lund. Large projects are also underway in Kungsängen and Norra Luthagen in Uppsala, Öster Mälarstrand in Västerås, and Alnängarna in Örebro.

REVENUE AND PROFIT/LOSS

Business segment revenue decreased to SEK 4,193m (4,468), and operating profit decreased to SEK 657m (719). Operating margin was 15.7 percent (16.1). Profit and margin decreased slightly but with continued good profitability.

Cash flow during the year is burdened by an increase in working capital.

BUILDING RIGHTS

During the year, building rights corresponding to approximately 440 residential units (1,000) were acquired in Malmö, Gothenburg and Uppsala.

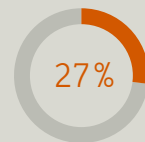
HOUSING STARTS

During the year, production started on 1,072 residential units (1,095) of which 69 are rental units: 1,072 (1,003) were residential units in apartment buildings, of which 166 in Malmö, 87 in Höllviken, 78 in Lund, 184 in Gothenburg, 78 in Kungälv, 63 in Linköping, 34 in Örebro, 69 in Västerås, 245 in Uppsala and 68 in Norrtälje.

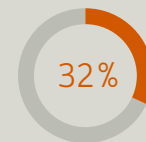
JM RESIDENTIAL SWEDEN

The business segment develops residential projects in growth areas in Sweden, excluding Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units.

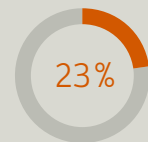
REVENUE
Percentage of the Group



OPERATING PROFIT
Percentage of the Group



NUMBER OF EMPLOYEES
Percentage of the Group



January–December

SEK m	2020	2019
Revenue	4,193	4,468
Operating profit	657	719
Operating margin, %	15.7	16.1
Average operating capital	1,307	1,183
Return on operating capital, %	50.3	60.8
Operating cash flow	512	557
Carrying amount, development properties	1,451	1,461
Number of available building rights	9,900	10,500
– of which building rights in the balance sheet	6,300	6,600
Number of residential units sold ¹⁾	1,208	1,084
Number of housing starts ²⁾	1,072	1,095
Number of residential units in current production	2,172	1,994
Number of employees	591	601
– of which salaried employees	367	367
– of which wage-earners	224	234
¹⁾ Of which residential units to investors	69	–
²⁾ Of which residential units to investors	69	–



IQ Linero, Lund

Good recovery on the housing market in Norway and Finland

REVENUE AND PROFIT/LOSS

Business segment revenue decreased to SEK 3,747m (4,021), and profit and margin excluding the sale of property amounted to SEK 277m (317) and 7.4 percent (7.8). The lower profit is primarily due to an adjustment of the Norwegian operations in the second quarter of 2020 to lower the cost level.

Cash flow was strengthened during the year by a reduction in development properties but was at the same time burdened by a slight increase in working capital.

NORWAY

Prices on the existing home market in Norway increased during the year. Supply and activity level were good. JM's largest markets are the Oslo area, Drammen, Tønsberg and its surroundings, and Bergen. Major ongoing projects are located in Oslo, Nordre Follo, Asker, and Lørenskog in the Oslo area and Loddefjord in Bergen.

During the year 587 residential units (582) were sold, and production started on 550 units (614). The number of residential units in current production amounts to 1,369 (1,346). JM acquired building rights corresponding to around 1,470 residential units (730). Available building rights correspond to approximately 8,500 residential units (7,600).

FINLAND

The housing market in the Helsinki region is in balance, and activity is good. The turnover rate and prices have been increasing.

During the year 473 residential units (433) were sold, and production started on 545 units (428). The number of residential units in current production amounts to 1,094 (702). Major ongoing projects are located in Herttonäs, Böle and Alberga in the Greater Helsinki region.

During the year, JM acquired building rights corresponding to around 400 residential units (1,500). Available building rights correspond to approximately 5,700 residential units (4,200).

Of the residential units that entered production and were sold in 2020, 101 (226) refer to residential units to investors.



Strindalia, Trondheim, Norway

JM INTERNATIONAL

The business segment develops residential projects in Norway and Finland. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units. Revenue recognition is reported using the percentage of completion method.



January–December

SEK m	2020	2019
Revenue	3,747	4,021
– of which JM Norway	2,716	3,186
Operating profit ¹⁾	276	355
– of which JM Norway	205	298
Operating margin, %	7.4	8.8
– of which JM Norway	7.5	9.4
Average operating capital	3,400	3,229
Return on operating capital, %	8.1	11.0
Operating cash flow	326	–439
Carrying amount, development properties	2,108	2,497
Carrying amount, project properties	33	5
Number of available building rights	14,200	11,800
– of which building rights in the balance sheet	6,500	6,600
Number of residential units sold ²⁾	1,060	1,015
Number of housing starts ³⁾	1,095	1,042
Number of residential units in current production	2,463	2,048
Number of employees	530	518
– of which salaried employees	372	360
– of which wage-earners	158	158
¹⁾ Of which property sales	–1	38
²⁾ Of which residential units to investors	101	226
³⁾ Of which residential units to investors	101	226

Revenue recognition for the business segment is reported, using the percentage of completion method.

Continuous development of the project portfolio

REVENUE AND PROFIT/LOSS

Business segment revenue decreased to SEK 169m (227), of which rental income was SEK 80m (86) and contracting revenue and the sale of services was SEK 89m (141). Operating profit was SEK 178m (194). The operating profit is burdened by startup and development costs for the new business operations JM@home.

Net rental income for project properties was SEK 57m (58), and profit from sales of property was SEK 170m (170).

Cash flow during the year has been positively impacted by cash received of net SEK 980m for the sale of properties and burdened otherwise by investments in project properties, including payment for the acquisition of the property for JM's new head office.

PROJECT DEVELOPMENT OF RENTAL UNITS

During the year, one rental unit project, Alba Lilium with 138 rental units in Bredäng, Stockholm was completed. Production has been ongoing on an additional two rental projects in JM's own balance sheet: Manegen in Täby Park, Täby, with 128 rental units; and Havreflingan in Söderdalen, Järfälla, with 192 rental units. Production is also ongoing in the Valla Park project, Sundbyberg, with 143 rental units. This property has been sold with transfer of legal title upon the planned completion date in 2022. Revenue and profit are recognized gradually as the project is implemented.

During the last quarter of the year, JM created a new structure for the long-term management of rental housing and, in conjunction with this, transferred the rental properties Tjärtunnan and Alba Lilium in Stockholm and Alphyddan in Nacka, on land with leasehold rights and with a market value of SEK 1,060m, to a new joint venture company. In conjunction with the establishment of the new company and the transfer of properties, JM is realizing gains of SEK 170m and a cash flow of net SEK 980m. JM owns 20 percent of the new company.

RESIDENTIAL CARE UNITS

In 2020, JM pursued local planning for a residential care facility in Uppsala, Kaplanen. The project consists of approximately 80 residential units. During the year, JM was allocated land for residential care housing in Värmdö Municipality that consists of around 70 residential units.

PROJECT PROPERTIES

During the year the detailed planning for JM's office project K1 Karlbergs Strand has gained legal force and JM will obtain legal title. the building will include approx. 19,000 square meters lettable area.

JM@HOME

The business continued to develop during 2020, as both the customer base and the organization grew. The increase in the customer stock is also reflected in greater net sales for the business.

JM PROPERTY DEVELOPMENT

The business segment primarily develops rental units, residential care units and commercial properties in Greater Stockholm. The business segment's entire portfolio comprises project development properties. The operations include JM@home, which offers economic and technical management services to tenant-owners associations.



SEK m	January–December	
	2020	2019
Revenue	169	227
Operating profit ¹⁾	178	194
Average operating capital	1,513	1,570
Return on operating capital, %	11.8	12.4
Operating cash flow	284	454
Carrying amount, development properties	10	10
Carrying amount, project properties	1,213	1,394
Number of available building rights ²⁾	1,200	800
– of which building rights in the balance sheet	300	100
Number of residential units sold ²⁾	418	376
Number of housing starts ²⁾	–	143
Number of residential units in current production ²⁾	463	600
Number of employees	78	68
– of which salaried employees	59	51
– of which wage-earners	19	17
¹⁾ Of which property sales	170	170
²⁾ Of which income from Joint venture	4	–
³⁾ Refers to rental units and residential care units.		

BUILDING RIGHTS

JM's building rights for project development of rental units and residential care units amount to 4,000 square meters. The carrying amount is SEK 10m (10).



Havreflingan, Järfälla

Engineering operations that have synergies with residential project development

MARKET

Demand in the civil engineering market in Stockholm is at a good level, although with increased competition for the assignments.

REVENUE AND PROFIT/LOSS

Business segment revenue excluding Business area Construction decreased due to lower external activity for JM in the civil engineering operations where profitability is prioritized over volume. The business segment focuses on projects that have synergies with residential project development. Revenue decreased to SEK 1,253m (1,691). Operating profit was SEK 31m (-141). The operating profit includes gains from property sales of SEK 18m (53). The loss in 2019 of -141m was primarily due to the discontinuation of the housing operations.

A review of JM Construction at the beginning of 2019 led to a decision to discontinue the Swedish housing business through which housing and commercial properties were produced for primarily external customers. The business segment is thereafter focusing on the engineering operations in their current form.

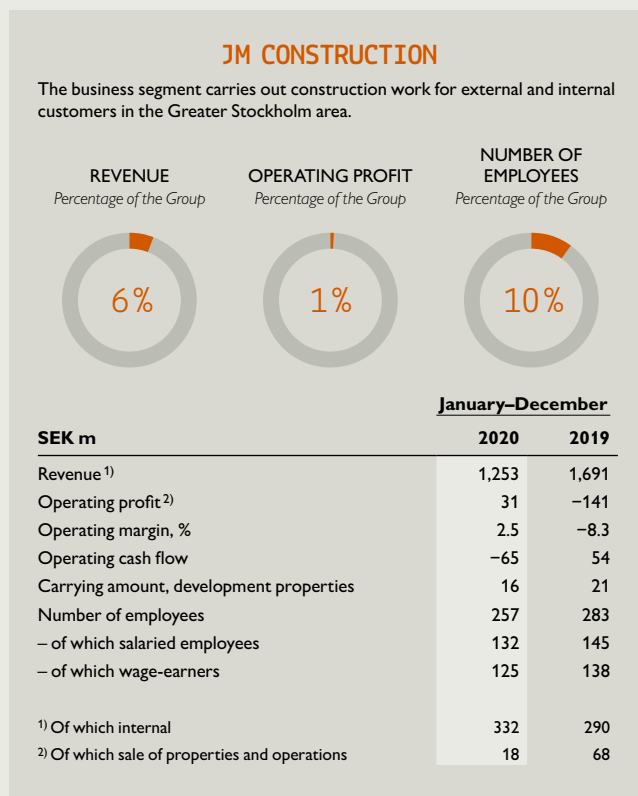
All projects in Business area Construction have been completed and turned over to their respective buyers.

Cash flow during the year was burdened by an increase in working capital.

PROJECTS

The largest ongoing projects during the year were groundworks in the Stockholm Norvik goods harbor in Nynäshamn (Ports of Stockholm), an infrastructure project in Tyresö and Orminge (Tyresö Municipality and Nacka Municipality, respectively), development work for the future expansion of Kungens Kurva (Huddinge Municipality and Stockholm Vatten), and the new production of apartment buildings in Norra Djurgårdsstaden (Riksbyggen).

Assignments for internal orderers include land and foundation work Täby Park in Täby and development work in the Dalénium area of Lidingö, Södertalén, Järfälla and Kabelverket in Älvsjö.



Stockholm Norvik, Nynäshamn

CONSOLIDATED INCOME STATEMENT — SEGMENT REPORTING

SEK m	NOTE	2020	2019
Revenue	1, 2	15,388	15,692
Production and operating costs	3, 4	-12,607	-12,994
Gross profit		2,781	2,698
Selling and administrative expenses	3, 4, 5	-944	-966
Gains/losses on the sale of property, etc. ^{1) 2)}	7	191	276
Operating profit		2,028	2,008
Financial income	8	6	6
Financial expenses	8	-79	-86
Profit/loss before tax		1,955	1,928
Taxes		-380	-358
Profit for the year		1,575	1,570
Other comprehensive income		-215	-209
Total comprehensive income for the year		1,360	1,361
Diluted earnings per share (SEK)	10	22.50	22.50
Average number of shares, diluted	10	70,061,421	69,985,557
Proposed dividend per share (SEK)	10	12.75	12.50
1) Of which sale of operations		-	15
2) Of which income from joint venture		4	-

Comments

Revenue

(2020: SEK 15,388m, 2019: SEK 15,692m)
Consolidated revenue during the year decreased by 2 percent compared to 2019. The decrease is primarily attributable to the decrease of external activity within JM Construction and the lower revenue within the Norwegian operations. During the year the ongoing pandemic had a primary impact in JM International, since both Norway and Finland introduced lockdowns to parts of society. During the second half of the year, we have seen a recovery where sales developed positively in all markets.

The revenue consists 92 percent of recognized revenue in housing projects. Recognized revenue is reported according to the percentage of completion method, which means that revenue is recognized based on the most recent forecast, period by period, as each project is completed and sold.

JM Construction's revenue represents 6 percent of the Group's revenue.

Rental income from rental units and commercial premises corresponds to 2 percent of the total revenue.

Operating profit

(2020: SEK 2,028m, 2019: SEK 2,008m)
Operating profit increased by 1 percent compared to the previous year. Operating profit during the year was burdened by the adaptations made to the Norwegian operations during the second quarter in the business segment JM International. The operating profit includes capital gains from

properties sales of SEK 191m, of which SEK 170m refers to gains from property sales of three rental properties in Stockholm and Nacka to a new structure, joint venture, for the long-term management of rental units.

Selling and administrative expenses decreased by 2 percent for the year compared to the same period the previous year.

Financial income and expenses

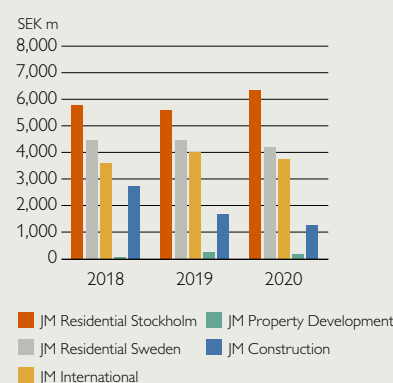
(2020: SEK -73m, 2019: SEK -80m)
Net financial items improved in 2020 by SEK 7m compared to 2019. This improvement was primarily due to a slightly lower average interest-bearing debt level and lower average interest rates.

Taxes

(2020: SEK -380m, 2019: SEK -358m)
Reported tax expense in 2020 amounts to 19 percent (19) of reported profit/loss before tax.

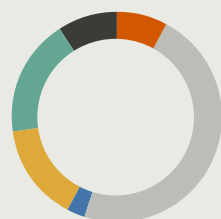
The effective tax is lower than nominal tax attributable to non-taxable revenue, regarding sales of completed rental unit properties.

REVENUE BY BUSINESS SEGMENT



CONSOLIDATED BALANCE SHEET — SEGMENT REPORTING

SEK m	NOTE	12/31/2020	12/31/2019
ASSETS	2		
Non-current assets			
Goodwill	11	168	186
Machinery and equipment	12	8	14
Participations in joint operations and joint venture	14, 15	78	1
Deferred tax assets		7	–
Financial assets	16, 25	17	18
Total non-current assets		278	219
Current assets			
Project properties	17	1,246	1,399
Development properties	17	7,831	8,938
Participations in tenant-owners associations, etc.	18	445	366
Accounts receivable	25	802	912
Other current receivables	20	521	726
Prepaid expenses and accrued income		35	29
Recognized revenue less progress billings	21	2,470	2,607
Cash and cash equivalents	22, 23	3,037	2,397
Total current assets		16,387	17,374
TOTAL ASSETS		16,665	17,593
EQUITY AND LIABILITIES	2		
Equity attributable to shareholders of the Parent Company			
Share capital		70	70
Other capital contributions		898	897
Reserves		–208	–35
Profit carried forward (including net profit for the year)		7,057	6,394
Total shareholders' equity		7,817	7,326
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	23, 24, 25	354	425
Other non-current receivables	24, 25	372	765
Provisions for pensions and similar obligations	23, 26	1,804	1,702
Other non-current provisions	27	848	846
Deferred tax liabilities		638	675
Total non-current liabilities		4,016	4,413
Current liabilities			
Accounts payable	24, 25	819	1,015
Current interest-bearing liabilities	24, 25	579	690
Other current liabilities	24, 25	382	662
Current tax liabilities		137	126
Progress billings in excess of recognized revenue	29	1,363	1,804
Accrued expenses and deferred income	30	1,419	1,423
Current provisions	27	133	134
Total current liabilities		4,832	5,854
Total liabilities		8,848	10,267
TOTAL EQUITY AND LIABILITIES		16,665	17,593
Pledged assets and contingent liabilities	31		

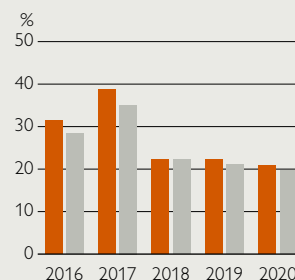
CONSOLIDATED ASSETS
12/31/2020

- Projects properties, 8 % (8)
- Development properties, 47 % (51)
- Other current receivables, 3 % (4)
- Recognized revenue less progress billings/work in progress, 15 % (15)
- Cash and cash equivalents, 18 % (14)
- Other assets, 9 % (8)

CONSOLIDATED CAPITAL STRUCTURE
12/31/2020

- Shareholders' equity, 47 % (42)
- Other non-current liabilities, 2 % (4)
- Provisions for pensions and similar commitments, 11 % (10)
- Progress billings in excess of recognized revenue, 8 % (10)
- Interest-bearing liabilities, 6 % (6)
- Other liabilities and provisions, 26 % (28)

RETURN ON EQUITY AND CAPITAL EMPLOYED



- Return on equity after tax
- Pre-tax return on capital employed

Comments

Goodwill

(2020: SEK 168m, 2019: SEK 186m)

The reported goodwill pertains to goodwill at the acquisition of Norwegian company's JM Norge AS and AS Prosjektfinans.

The change in 2020 refers exclusively to a change in the foreign exchange rate.

Project properties

(2020: SEK 1,246m, 2019: SEK 1,399m)

The portfolio refers to smaller commercial properties and land for offices. It also refers to two projects under construction in the Stockholm area that are intended for rental units.

During the year, three completed rental projects were sold for a gain of SEK 170m.

The externally appraised market value was estimated to be SEK 1,651m (1,769), which means a surplus value of SEK 405m (370).

Development properties

(2020: SEK 7,831m, 2019: SEK 8,938m)

In 2020, JM's rate of acquisition decreased compared to the previous year. During the year, JM acquired development properties for SEK 1,022m (1,745), while development properties for SEK -1,888m (-1,068) were transferred to production. The majority of the acquisitions consist of development properties intended for residential units.

The market value of the development properties shows a surplus value of SEK 6.5bn (6.7).

In all, JM has 20,400 building rights (21,100) in the balance sheet.

Participations in tenant-owners associations, etc.

(2020: SEK 455m, 2019: SEK 366m)

The purchase of unsold tenant-owned apartments occurs no later than the settlement date and is a consequence of the undertaking in the construction contract with the tenant-owners association. There are 85 (82) unsold residential units in the balance sheet and they refer primarily to show apartments for coming residential phases.

Recognized revenue less progress billings

(2020: SEK 2,470m, 2019: SEK 2,607m)

This asset item refers to the net of accrued revenue in current projects and accumulated billing in these projects. Ongoing projects that have a positive balance are reported in this assets item.

Pension provisions

(2020: SEK 1,804m, 2019: SEK 1,702m)

The liability increased during the year primarily due to changes in the actuarial assumptions of discount rate with a actuarial loss in 2020 of SEK 42m.

Other non-current provisions

(2020: SEK 848m, 2019: SEK 846m)

Refers to non-current provisions for warranty commitments related to expenses that may arise during the warranty period. The amount of the provisions is primarily based on the number of residential units per project and is charged to the project upon completion. The majority of the warranty provisions have a duration of around two to three years after the project is completed.

The item also contains provisions for special payroll tax, which is calculated to be 24.26 percent of the difference between pension liability in a legal person measured using IAS 19 and reported pension liability in a legal person.

Deferred tax liabilities

(2020: SEK 638m, 2019: SEK 675m)

The deferred tax liabilities item refers, among other things, to the fiscal value of the difference between accounting and tax values (temporary differences) that will be realized in the future. The temporary differences are mainly attributable to tax allocation reserves and development properties.

Non-current interest-bearing liabilities

(2020: SEK 354m, 2019: SEK 425m)

Refers primarily to long-term interest-bearing liabilities to credit institutions and long-term interest-bearing promissory notes for acquisitions

of development properties. The change is due to lower debt to credit institutions in JM's foreign subsidiaries.

Current interest-bearing liabilities

(2020: SEK 579m, 2019: SEK 690m)

Refers primarily to current interest-bearing liabilities in connection with acquisitions of development properties. The change is due to decreased debt to credit institutions in JM's foreign subsidiaries.

Other current liabilities

(2020: SEK 382m, 2019: SEK 662m)

The item primarily consists of short-term promissory notes in conjunction with the acquisition of development properties. The item refers to the liability for unconditional agreements that were entered into with deferred payment. The decrease compared to the previous year is due to fewer short-term promissory notes in conjunction with the acquisition of development properties.

Progress billings in excess of recognized revenue

(2020: SEK 1,363m, 2019: SEK 1,804m)

The liability item refers to the net of accrued revenue in current projects and accumulated billing in these projects. Ongoing projects that show a negative balance are reported in this liability item.

CONSOLIDATED CASH FLOW STATEMENT — SEGMENT REPORTING

SEK m	NOTE	2020	2019
	1		
OPERATING ACTIVITIES			
Operating profit		2,028	2,008
Depreciation and amortization		7	9
Increase/decrease in residential units in the balance sheet ¹⁾		-77	291
Other non-cash items		-195	-113
Sub-total, cash flow from operating activities		1,763	2,195
Interest received		5	5
Interest paid and other financial expenses		-48	-42
Paid tax		-484	-433
Cash flow from operating activities before change in working capital		1,236	1,725
Investment in development properties		-1,529	-1,819
Payment on account for development properties		2,010	1,279
Increase/decrease in accounts receivable		92	187
Increase/decrease in other current receivables, etc.		76	-439
Increase/decrease in accounts payable		-174	105
Increase/decrease in other current operating liabilities		-365	-186
Cash flow before investments and sales of project properties		1,346	852
Investment in project properties		-691	-426
Sale of project properties		1,060	865
Cash flow from operating activities		1,715	1,291
INVESTING ACTIVITIES			
Investment in property, plant, and equipment		-1	-4
Property, plant, and equipment sold		-	0
Investment in joint venture		-78	-
Change in financial assets		0	-3
Cash flow from investing activities		-79	-7
FINANCING ACTIVITIES ²⁾			
Loans raised		453	658
Amortization of debt		-571	-399
Dividend		-870	-835
Cash flow from financing activities		-988	-576
Cash flow for the year		648	708
Cash and cash equivalents at beginning of the year		2,397	1,682
Exchange rate difference in cash and cash equivalents		-8	7
Cash and cash equivalents at the end of the year		3,037	2,397

¹⁾ The increase/decrease in residential units in the balance sheet creates a cash flow and is included in the operations' net profit/loss.

²⁾ For interest-bearing net liabilities, see the consolidated quarterly overview on page 69 and the five-year overview on page 71.

**INCREASE/DECREASE IN RESIDENTIAL UNITS
IN THE BALANCE SHEET**

	NOTE	2020	2019
Acquisition of participations in tenant-owners associations	18	-1,114	-1,971
Sale of participations in tenant-owners associations	18	1,023	2,171
Change in promissory notes		14	91
Total		-77	291

OTHER NON-CASH ITEMS

	NOTE	2020	2019
Gains/losses on the sale of property	7	-187	-276
Changes in pension liability		102	314
Other provisions, etc.		-110	-151
Total		-195	-113

INVESTMENT IN DEVELOPMENT PROPERTIES

		2020	2019
Investment in development properties	17	-1,022	-1,745
Change in promissory notes		-507	-74
Total		-1,529	-1,819

**PAYMENT ON ACCOUNT FOR DEVELOPMENT
PROPERTIES**

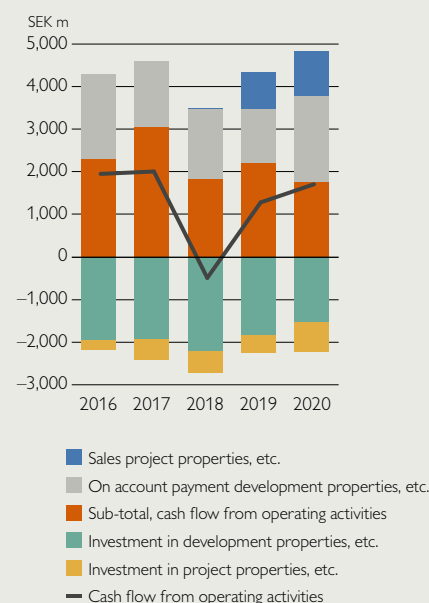
		2020	2019
Payment on account for development properties	17	1,897	1,107
Sale of development properties	7	38	194
Change in receivables, development properties sold		75	-22
Total		2,010	1,279

INVESTMENT IN PROJECT PROPERTIES

		2020	2019
Investment in project properties	17	-691	-426
Total		-691	-426

SALE OF PROJECT PROPERTIES

		2020	2019
Sale of project properties	7	1,060	865
Total		1,060	865

CASH FLOW FROM OPERATING ACTIVITIES

Comments

Operating activities

(2020: SEK 1,715m, 2019: SEK 1,291m)

Cash flow from operating activities is higher than in the previous year. Net investments in development properties and project properties and decreased holdings of repurchased residential units provided a cash flow of SEK 773m.

Cash flow from operating activities (sub-total)

(2020: SEK 1,763m, 2019: SEK 2,195m)

Operating activities, before interest and tax, contributed SEK 1,763m, which is a decrease of SEK 432m after elimination of non-cash items. Operating profit contributed SEK 2,028m (2,008). The change in holdings of repurchased residential units resulted in a cash flow of SEK -77m (291).

Cash flow from operating activities before change in working capital

(2020: SEK 1,236m, 2019: SEK 1,725m)

Net interest and dividends paid and received decreased from SEK -37m in 2019 to SEK -43m in 2020. Taxes paid increased from SEK -433m in 2019 to SEK -484m in 2020.

Net development properties

(2020: SEK 481m, 2019: SEK -540m)

JM acquired development properties for SEK 1,022m (1,745). At the same time, SEK 1,897m (1,107) were taken into production in conjunction with housing starts.

Current receivables and liabilities

(2020: SEK -371m, 2019: SEK -333m)

Current receivables and liabilities had a total impact on cash flow of SEK -371m (-333), compared to the previous year of SEK -38m.

Net project properties

(2020: SEK 369m, 2019: SEK 439m)

Cash flow from net project properties originates primarily from the transfer of three rental properties in conjunction with a new structure for long-term management of rental units. JM owns 20 percent of the new joint venture company.

Financing activities

(2020: SEK -988m, 2019: SEK -576m)

During the year, dividends to shareholders were paid totaling SEK 870m. Interest-bearing liabilities including the change in interest-bearing promissory notes decreased net by SEK 182m.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – SEGMENTS REPORTING

SEK m	2020	2019
Opening balance at beginning of the year	7,326	6,798
Total comprehensive income for the year	1,360	1,361
Dividend to equity holders of the Parent Company	-870	-835
Conversion of convertible loan	1	2
Closing balance at the end of the year	7,817	7,326

Comments

Shareholders' equity

(2020: SEK 7,817m, 2019: SEK 7,326m)

Shareholders' equity increased by SEK 491m compared to the end of 2019. Consolidated equity as at December 31, 2020, totaled SEK 7,817m (7,326), which corresponds to SEK 112 (105) per share. Return on equity was 20.8 percent (22.2).

Dividend to Parent Company shareholders

The dividend to shareholders of the Parent Company totaled SEK 870m (835), corresponding to SEK 12.50 (12.00) per share.

Conversion of convertible loan

During the year, no shares were converted in the outstanding convertible programs.

Buy-back of shares and elimination of treasury shares

During the year, no shares were bought back. The company has no holdings of treasury shares. The number of outstanding shares at the end of the year amounted to 69,583,262 (69,583,262).

GROUP – QUARTERLY OVERVIEW – SEGMENT REPORTING

Amounts in SEK m unless otherwise stated

INCOME STATEMENT	2020					2019					
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1	
Revenue	15,388	4,530	3,382	3,662	3,814	15,692	4,311	3,768	3,944	3,669	
Production and operating costs	-12,607	-3,680	-2,786	-3,036	-3,105	-12,994	-3,520	-3,108	-3,212	-3,154	
Gross profit	2,781	850	596	626	709	2,698	791	660	732	515	
Selling and administrative expenses	-944	-233	-198	-269	-244	-966	-254	-212	-260	-240	
Gains/losses on the sale of property, etc.	191	172	1	-	18	276	22	182	34	38	
Operating profit	2,028	789	399	357	483	2,008	559	630	506	313	
Financial income and expenses	-73	-19	-16	-17	-21	-80	-18	-22	-18	-22	
Profit before tax	1,955	770	383	340	462	1,928	541	608	488	291	
Taxes	-380	-127	-81	-74	-98	-358	-99	-94	-102	-63	
Profit for the period	1,575	643	302	266	364	1,570	442	514	386	228	
BALANCE SHEET		12/31/2020	09/30/2020	06/30/2020	03/31/2020		12/31/2019	09/30/2019	06/30/2019	03/31/2019	
ASSETS											
Non-current assets		278	194	200	193		219	221	221	220	
Project properties		1,246	1,791	1,643	1,498		1,399	1,286	1,865	1,743	
Development properties		7,831	8,411	8,724	8,594		8,938	9,170	8,983	8,911	
Participations in tenant-owners associations, etc.		445	558	603	438		366	422	296	434	
Current receivables		3,828	3,847	3,796	4,007		4,274	4,013	3,993	4,040	
Cash and cash equivalents		3,037	2,314	2,572	2,684		2,397	1,955	1,168	2,150	
Total current assets		16,387	16,921	17,338	17,221		17,374	16,846	16,305	17,278	
TOTAL ASSETS		16,665	17,115	17,538	17,414		17,593	17,067	16,526	17,498	
EQUITY AND LIABILITIES											
Equity		7,817	7,704	7,430	7,561		7,326	6,866	6,597	7,083	
Non-current interest-bearing liabilities		354	362	293	267		425	418	314	171	
Other non-current liabilities		372	679	751	749		765	798	770	770	
Non-current provisions		3,290	3,398	3,280	3,151		3,223	3,652	3,296	3,128	
Total non-current liabilities		4,016	4,439	4,324	4,167		4,413	4,868	4,380	4,069	
Current interest-bearing liabilities		579	632	806	899		690	741	502	688	
Other current liabilities		4,120	4,198	4,837	4,652		5,030	4,448	4,904	5,529	
Current provisions		133	142	141	135		134	144	143	129	
Total current liabilities		4,832	4,972	5,784	5,686		5,854	5,333	5,549	6,346	
TOTAL EQUITY AND LIABILITIES		16,665	17,115	17,538	17,414		17,593	17,067	16,526	17,498	
CASH FLOW STATEMENT											
		2020					2019				
		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
From operating activities		1,715	1,288	-165	404	188	1,291	474	446	-97	468
From investing activities		-79	-78	0	0	-1	-7	-2	-6	-1	2
From financing activities		-988	-484	-93	-516	105	-576	-28	349	-888	-9
Total cash flow for the period		648	726	-258	-112	292	708	444	789	-986	461
Cash and cash equivalents at end of the period		3,037	3,037	2,314	2,572	2,684	2,397	2,397	1,955	1,168	2,150
INTEREST-BEARING NET LIABILITIES/RECEIVABLES											
Interest-bearing net liabilities (+)/ receivables (-) at beginning of period		420	409	247	198	420	546	951	1,155	130	546
Change in interest-bearing net liabilities/receivables		-720	-709	162	49	-222	-126	-531	-204	1,025	-416
Interest-bearing net liabilities (+)/ receivables (-) at end of period		-300	-300	409	247	198	420	420	951	1,155	130
DEVELOPMENT PROPERTIES											
		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Carrying amount at beginning of period		8,938	8,411	8,724	8,594	8,938	8,306	9,170	8,983	8,911	8,306
New purchases		1,022	249	103	397	273	1,745	285	581	142	737
Transferred to production		-1,888	-792	-346	-302	-448	-1,068	-458	-354	-77	-179
Other		-241	-37	-70	35	-169	-45	-59	-40	7	47
Carrying amount at the end of the period		7,831	7,831	8,411	8,724	8,594	8,938	8,938	9,170	8,983	8,911
HOUSING PRODUCTION											
		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Number of available building rights		37,800	37,800	37,900	38,600	35,900	35,900	35,900	36,400	36,500	36,400
Number of residential units sold		4,026	1,623	956	642	805	3,595	941	1,106	881	667
Number of housing starts		3,199	976	855	731	637	3,269	1,107	797	959	406
Number of residential units in current production		7,976	7,976	7,829	7,249	7,583	7,813	7,813	8,033	7,829	7,842
Sold residential units in current production, %		60	55	51	54	54	53	55	55	55	55
Reserved residential units in current production, %		14	16	14	15	15	12	11	7	7	6
Sold/reserved residential units in current production, %		74	71	65	69	69	65	66	62	62	61
KEY RATIOS											
		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Operating margin, %		13.2	17.4	11.8	9.7	12.7	12.8	13.0	16.7	12.8	8.5
Debt/equity ratio, multiple		-	-	0.1	0.0	0.0	0.1	0.1	0.1	0.2	0.0
Equity/assets ratio, %		47	47	45	42	43	42	42	40	40	40
Earnings per share, SEK		22.50	9.20	4.30	3.80	5.20	22.50	6.30	7.40	5.50	3.30

GROUP – FIVE-YEAR OVERVIEW – SEGMENT REPORTING

Amounts in SEK m unless otherwise stated.

INCOME STATEMENT	2020	2019	2018	2017	2016
Revenue	15,388	15,692	16,161	17,008	15,752
Production and operating costs	-12,607	-12,994	-13,247	-13,648	-12,821
Gross profit	2,781	2,698	2,914	3,360	2,931
Selling and administrative expenses	-944	-966	-1,041	-1,005	-935
Gains/losses on the sale of property, etc.	191	276	13	14	15
Operating profit	2,028	2,008	1,886	2,369	2,011
Financial income and expenses	-73	-80	-69	210	-60
Profit before tax	1,955	1,928	1,817	2,579	1,951
Taxes	-380	-358	-379	-385	-411
Net profit for the year	1,575	1,570	1,438	2,194	1,540

INCOME STATEMENT BY FUNCTION

Production					
Recognized revenue	15,157	15,439	15,935	16,808	15,577
Production costs	-12,457	-12,834	-13,109	-13,513	-12,707
Profit from production operations	2,700	2,605	2,826	3,295	2,870
Development properties					
Rental revenue	151	167	160	159	150
Operating expenses	-83	-95	-88	-82	-71
Property tax	-44	-37	-26	-37	-23
Profit from development properties	24	35	46	40	56
Project properties					
Rental revenue	80	86	66	41	25
Operating expenses	-22	-26	-22	-15	-18
Property tax	-1	-2	-2	-1	-2
Profit from project properties	57	58	42	25	5
Gross profit	2,781	2,698	2,914	3,360	2,931
Selling and administrative expenses	-904	-931	-1,002	-958	-894
Property sales, etc.					
Sales values	1,078	923	116	21	86
Carrying amounts	-887	-647	-103	-7	-71
Gains/losses on the sale of property, etc.	191	276	13	14	15
Group-wide expenses	-40	-35	-39	-47	-41
Operating profit	2,028	2,008	1,886	2,369	2,011

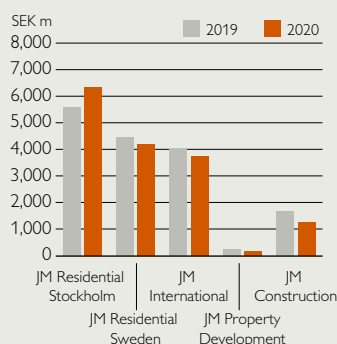
BALANCE SHEET	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
ASSETS					
Non-current assets	278	219	214	209	230
Project properties	1,246	1,399	1,635	1,074	602
Development properties	7,831	8,938	8,306	7,543	7,121
Participations in tenant-owners associations, etc.	445	366	567	309	233
Current receivables ¹⁾	3,828	4,274	4,083	3,698	3,142
Cash and cash equivalents	3,037	2,397	1,682	2,572	1,520
Total current assets	16,387	17,374	16,273	15,196	12,618
TOTAL ASSETS	16,665	17,593	16,487	15,405	12,848
EQUITY AND LIABILITIES²⁾					
Equity	7,817	7,326	6,798	6,178	5,158
Non-current interest-bearing liabilities	354	425	146	203	282
Other non-current liabilities	372	765	696	273	168
Non-current provisions	3,290	3,223	3,037	2,656	2,297
Total non-current liabilities	4,016	4,413	3,879	3,132	2,747
Current interest-bearing liabilities	579	690	694	332	438
Other current liabilities	4,120	5,030	4,994	5,654	4,404
Current provisions	133	134	122	109	101
Total current liabilities	4,832	5,854	5,810	6,095	4,943
TOTAL EQUITY AND LIABILITIES	16,665	17,593	16,487	15,405	12,848
¹⁾ Of which receivables from property sales	1	76	53	83	72
²⁾ Of which liabilities for property acquisitions	459	949	1,040	794	654

GROUP – FIVE-YEAR OVERVIEW – SEGMENT REPORTING

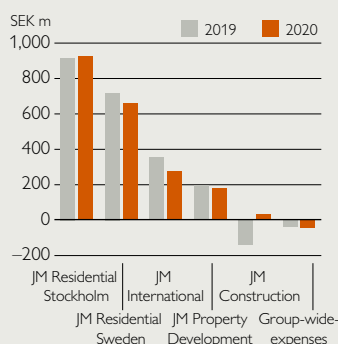
Amounts in SEK m unless otherwise stated.

CASH FLOW STATEMENT	2020	2019	2018	2017	2016
From operating activities	1,715	1,291	-473	2,013	1,957
From investing activities	-79	-7	-8	300	-6
From financing activities	-988	-576	-412	-1,259	-1,712
Total cash flow for the year	648	708	-893	1,054	239
Cash and cash equivalents, December 31	3,037	2,397	1,682	2,572	1,520
INTEREST-BEARING NET LIABILITIES/RECEIVABLES					
Interest-bearing net liabilities (+)/receivables (-), January 1	420	546	-790	435	1,198
Change in interest-bearing net liabilities/receivables	-720	-126	1,336	-1,225	-763
Interest-bearing net liabilities (+)/receivables (-), December 31	-300	420	546	-790	435
DEVELOPMENT PROPERTIES					
Carrying amount, January 1	8,938	8,306	7,543	7,121	7,067
New purchases	1,022	1,745	2,402	2,017	1,903
Transferred to production	-1,888	-1,068	-1,517	-1,534	-1,896
Other	-241	-45	-122	-61	47
Carrying amount, December 31	7,831	8,938	8,306	7,543	7,121
DEVELOPMENT PROPERTIES					
Market values	14,300	15,600	15,300	14,700	14,100
Carrying amounts	7,800	8,900	8,300	7,500	7,100
Surplus values	6,500	6,700	7,000	7,200	7,000
HOUSING PRODUCTION					
Number of available building rights	37,800	35,900	35,900	34,800	32,500
– of which recognized in the balance sheet	20,400	21,100	20,700	18,700	17,900
Number of residential units sold	4,026	3,595	2,463	3,100	3,843
Number of housing starts	3,199	3,269	3,135	3,873	4,187
Number of residential units in current production	7,976	7,813	7,835	8,200	7,984
Percentage sold residential units in current production, %	60	53	51	58	65
Percentage reserved residential units in current production, %	14	12	6	7	12
Percentage sold and reserved residential units in current production, %	74	65	57	65	77
PROJECT PROPERTIES					
Market values	1,651	1,769	2,002	1,343	863
Carrying amounts	1,246	1,399	1,635	1,074	602
Surplus values	405	370	367	269	261
PERSONNEL					
Average number of employees	2,600	2,598	2,562	2,538	2,422
– of which abroad	543	545	492	448	420
Wages, salaries and remunerations	1,474	1,516	1,482	1,401	1,291
KEY RATIOS					
Operating margin, %	13.2	12.8	11.7	13.9	12.8
Return on equity after tax, %	20.8	22.2	22.2	38.7	31.4
Pre-tax return on capital employed, %	19.7	21.0	22.3	35.1	28.4
Pre-tax return on total capital, %	11.9	11.8	11.9	18.7	16.1
Equity/assets ratio, %	47	42	41	40	40
Interest-bearing loan, SEK m	2,737	2,817	2,228	1,786	1,959
Debt/equity ratio, multiple	–	0.1	0.1	–	0.1
Interest coverage ratio, multiple	25.7	23.4	24.0	38.4	29.7
Interest-bearing liabilities/total assets, %	16	16	14	12	15
Asset turnover rate, multiple	0.90	0.92	1.01	1.20	1.26

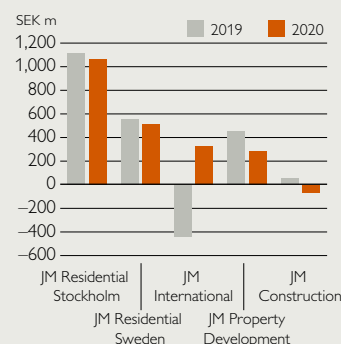
REVENUE



OPERATING PROFIT



OPERATING CASH FLOW



BUSINESS SEGMENTS QUARTERLY OVERVIEW – SEGMENT REPORTING

Amounts in SEK m unless otherwise stated.

JM RESIDENTIAL STOCKHOLM	2020					2019				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	6,358	2,023	1,310	1,403	1,622	5,575	1,551	1,259	1,330	1,435
Operating profit ¹⁾	926	299	185	192	250	916	262	209	216	229
Operating margin, %	14.6	14.8	14.1	13.7	15.4	16.4	16.9	16.6	16.2	16.0
Average operating capital	5,372	5,372	5,552	5,682	5,740	5,811	5,811	5,802	5,754	5,668
Return on operating capital, % ^{*)}	17.2	17.2	16.0	16.1	16.3	15.8	15.8	15.3	15.8	16.7
Operating cash flow	1,064	383	143	207	331	1,118	598	321	-85	284
Carrying amount, development properties	4,246	4,246	4,587	4,816	4,812	4,949	4,949	5,049	5,132	5,042
Number of available building rights	12,500	12,500	12,600	12,800	12,900	12,800	12,800	13,000	13,500	13,400
Number of residential units sold	1,340	474	299	220	347	1,120	353	261	268	238
Number of housing starts	1,032	282	252	258	240	989	336	278	286	89
Number of residential units in current production	2,878	2,878	3,095	2,843	3,035	3,171	3,171	3,112	3,001	3,042
¹⁾ Of which property sales	-	-	-	-	-	0	-	0	-	-

JM RESIDENTIAL SWEDEN	2020					2019				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	4,193	1,137	913	1,093	1,050	4,468	1,185	974	1,199	1,110
Operating profit	657	181	141	169	166	719	189	157	193	180
Operating margin, %	15.7	15.9	15.4	15.5	15.8	16.1	15.9	16.1	16.1	16.2
Average operating capital	1,307	1,307	1,295	1,274	1,226	1,183	1,183	1,164	1,096	1,042
Return on operating capital, % ^{*)}	50.3	50.3	51.4	53.5	57.5	60.8	60.8	62.8	66.6	68.9
Operating cash flow	512	270	60	74	108	557	287	127	78	65
Carrying amount, development properties	1,451	1,451	1,530	1,532	1,461	1,461	1,461	1,545	1,549	1,559
Number of available building rights	9,900	9,900	10,200	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Number of residential units sold ¹⁾	1,208	380	250	278	300	1,084	313	284	244	243
Number of housing starts ²⁾	1,072	250	285	276	261	1,095	291	289	244	271
Number of residential units in current production	8,201	2,172	2,138	1,961	1,930	1,994	1,994	2,426	2,366	2,547
¹⁾ Of which residential units to investors	69	-	-	69	-	-	-	-	-	-
²⁾ Of which residential units to investors	69	-	-	69	-	-	-	-	-	-

JM INTERNATIONAL	2020					2019				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	3,747	1,102	867	896	882	4,021	1,275	981	905	860
Operating profit ¹⁾	276	136	70	19	51	355	116	75	66	98
Operating margin, %	7.4	12.3	8.1	2.1	5.8	8.8	9.1	7.6	7.3	11.4
Average operating capital	3,400	3,400	3,440	3,395	3,368	3,229	3,229	3,064	2,967	2,888
Return on operating capital, % ^{*)}	8.1	8.1	7.4	7.7	9.1	11.0	11.0	11.4	12.1	13.0
Operating cash flow	326	106	-27	285	-38	-439	-239	-460	133	127
Carrying amount, development properties	2,108	2,108	2,265	2,347	2,292	2,497	2,497	2,538	2,261	2,261
Carrying amount, project properties	33	33	25	25	4	5	5	5	5	5
Number of available building rights	14,200	14,200	13,900	14,200	11,600	11,800	11,800	12,100	11,700	11,700
Number of residential units sold ²⁾	1,060	351	407	144	158	1,015	275	185	369	186
Number of housing starts ³⁾	1,095	444	318	197	136	1,042	480	230	286	46
Number of residential units in current production	2,463	2,463	2,133	1,982	2,018	2,048	2,048	1,759	1,726	1,660
¹⁾ Of which property sales	-1	-2	1	-	-	38	-	-	-	38
²⁾ Of which residential units to investors	101	-	101	-	-	226	44	-	182	-
³⁾ Of which residential units to investors	101	-	101	-	-	226	44	-	182	-

JM PROPERTY DEVELOPMENT	2020					2019				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	169	57	42	35	35	227	40	134	29	24
Operating profit ^{1) 2)}	178	178	3	-6	3	194	3	179	6	6
Average operating capital	1,513	1,513	1,507	1,523	1,545	1,570	1,570	1,574	1,583	1,447
Return on operating capital, % ^{*)}	11.8	11.8	0.2	11.8	12.4	12.4	12.4	12.5	1.3	1.0
Operating cash flow	284	660	-155	-120	-101	454	-112	778	-116	-96
Carrying amount, development properties	10	10	10	10	10	10	10	10	10	10
Carrying amount, project properties	1,213	1,213	1,766	1,618	1,494	1,394	1,394	1,281	1,860	1,738
Number of available building rights ³⁾	1,200	1,200	1,200	1,100	900	800	800	800	800	800
Number of residential units sold ³⁾	418	418	-	-	-	376	-	376	-	-
Number of housing starts ³⁾	-	-	-	-	-	143	-	-	143	-
Number of residential units in current production ³⁾	463	463	463	463	600	600	600	736	736	593
¹⁾ Of which property sales	170	170	-	-	-	170	-	170	-	-
²⁾ Of which income from joint venture	4	4	-	-	-	-	-	-	-	-
³⁾ Refers to rental units and residential care units.										

JM CONSTRUCTION	2020					2019				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	1,253	307	330	320	296	1,691	347	482	550	312
Operating profit ¹⁾	31	8	3	-2	22	-141	0	14	34	-189
Operating margin, %	2.5	2.6	0.9	-0.6	7.4	-8.3	0.0	2.9	6.2	-60.6
Operating cash flow	-65	9	-55	-24	5	54	-1	-80	-107	242
¹⁾ Of which property sales and sale of operations	18	-	-	-	18	68	22	12	34	-

JM OTHER	2020					2019				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue (elimination)	-332	-96	-80	-85	-71	-290	-87	-62	-69	-72
Operating profit (Group-wide expenses)	-40	-13	-3	-15	-9	-35	-11	-4	-9	-11

^{*)} Calculated on 12-month rolling profits, and average capital.

Description of key financial figures in JM's annual report that are not included in the IFRS regulations

Segment reporting reflects the economic significance of JM's business. It also correlates well to the Group's internal governance, which is based on cash flow, risk profile and capital allocation. Use of key figures according to segment reporting helps investors and management analyze the trends in and performance of JM.

Amounts in SEK m unless otherwise stated.

FIVE-YEAR OVERVIEW**Interest-bearing net liabilities (+)/receivables (-) according to segment reporting**

	2020	2019	2018	2017	2016
Interest-bearing liabilities (segment reporting)					
Pension provisions	1,804	1,702	1,388	1,251	1,239
Non-current interest-bearing liabilities	354	425	146	203	282
Current interest-bearing liabilities	579	690	694	332	438
Cash and cash equivalents and interest-bearing receivables	-3,037	-2,397	-1,682	-2,576	-1,524

Definition

Interest-bearing liabilities (segment reporting) less cash and cash equivalents and interest-bearing receivables

Reason to use the measure

Measures external financing compared to own cash and cash equivalents

Interest-bearing net liabilities (+)/receivables (-) according to segment reporting

	-300	420	546	-790	435
--	-------------	------------	------------	-------------	------------

Operating margin (segment reporting)

	2020	2019	2018	2017	2016
Operating profit (segment reporting)	2,028	2,008	1,886	2,369	2,011
Revenue (segment reporting)	15,388	15,692	16,161	17,008	15,752

Definition

Operating profit (segment reporting) divided by revenue (segment reporting)

Reason to use the measure

Measures profitability of the business given the current market conditions

Operating margin (segment reporting), %	13.2	12.8	11.7	13.9	12.8
--	-------------	-------------	-------------	-------------	-------------

Return on equity after tax

	2020	2019	2018	2017	2016
Profit/loss for the period (segment reporting)	1,575	1,570	1,438	2,194	1,540
Average equity (segment reporting)	7,572	7,062	6,488	5,668	4,905
Equity at beginning of period	7,326	6,798	6,178	5,158	4,652
Equity at end of period	7,817	7,326	6,798	6,178	5,158

Definition

Profit/loss for the period (segment reporting) divided by average equity (segment reporting)

Reason to use the measure

Measures profitability and financial position

Return on equity after tax, %	20.8	22.2	22.2	38.7	31.4
--------------------------------------	-------------	-------------	-------------	-------------	-------------

Pre-tax return on capital employed

	2020	2019	2018	2017	2016
Profit/loss before tax plus financial expenses	2,034	2,014	1,896	2,648	2,019
Average capital employed	10,349	9,437	8,495	7,541	7,121
Capital employed, at beginning of the year	10,143	9,026	7,964	7,117	7,125
Capital employed, at end of the year	10,554	10,143	9,026	7,964	7,117

Definition

Profit/loss before tax (segment reporting) plus financial expenses divided by average capital employed (segment reporting)

Reason to use the measure

Measures profitability and capital efficiency

Pre-tax return on capital employed, %	19.7	21.0	22.3	35.1	28.4
--	-------------	-------------	-------------	-------------	-------------

Capital employed

	2020	2019	2018	2017	2016
Equity (segment reporting)	7,817	7,326	6,798	6,178	5,158
Interest-bearing loans (segment reporting)					
Transferred to pensions	1,804	1,702	1,388	1,251	1,239
Non-current interest-bearing liabilities	354	425	146	203	282
Current interest-bearing liabilities	579	690	694	332	438

Definition

Equity (segment reporting) plus interest-bearing loans (segment reporting)

Reason to use the measure

Measures capital utilization

Capital employed	10,554	10,143	9,026	7,964	7,117
-------------------------	---------------	---------------	--------------	--------------	--------------

Pre-tax return on total capital

	2020	2019	2018	2017	2016
Profit/loss before tax plus financial expenses	2,034	2,014	1,896	2,648	2,019
Average balance sheet total (segment reporting)	17,129	17,040	15,946	14,127	12,539
Balance sheet total, at beginning of the year	17,593	16,487	15,405	12,848	12,230
Balance sheet total, at end of the year	16,665	17,593	16,487	15,405	12,848

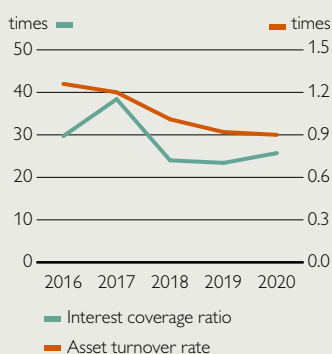
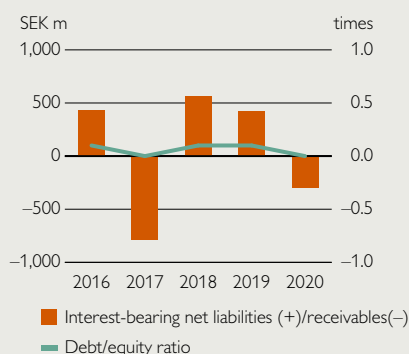
Definition

Profit/loss before tax (segment reporting) plus financial expenses divided by average balance sheet total (segment reporting)

Reason to use the measure

Measures profitability and capital efficiency

Pre-tax return on total capital, %	11.9	11.8	11.9	18.7	16.1
---	-------------	-------------	-------------	-------------	-------------

INTEREST COVERAGE RATIO AND ASSET TURNOVER RATE**INTEREST-BEARING NET LIABILITIES/RECEIVABLES AND DEBT/EQUITY RATIO**

DEFINITIONS AND GLOSSARY

Amounts in SEK m unless otherwise stated.

Equity/assets ratio (segment reporting)	2020	2019	2018	2017	2016	Definition
Equity (segment reporting)	7,817	7,326	6,798	6,178	5,158	Equity (segment reporting) divided by the balance sheet total (segment reporting)
Balance sheet total (segment reporting)	16,665	17,593	16,487	15,405	12,848	
Equity/assets ratio (segment reporting), %	47	42	41	40	40	Reason to use the measure Measures financial position
<hr/>						
Debt/equity ratio	2020	2019	2018	2017	2016	Definition
Interest-bearing net liabilities (segment reporting)	-300	420	546	-790	435	Interest-bearing net liabilities (segment reporting) divided by equity (segment reporting)
Equity (segment reporting)	7,817	7,326	6,798	6,178	5,158	
Debt/equity ratio, multiple	-	0.1	0.1	-	0.1	Reason to use the measure Measures financial position
<hr/>						
Interest coverage ratio	2020	2019	2018	2017	2016	Definition
Profit/loss before tax (segment reporting)	1,955	1,928	1,817	2,579	1,951	Profit/loss before tax (segment reporting) plus financial expenses divided by financial expenses
Financial expenses	79	86	79	69	68	
Interest coverage ratio, multiple	25.7	23.4	24.0	38.4	29.7	Reason to use the measure Measures financial position
<hr/>						
Interest-bearing liabilities/balance sheet total	2020	2019	2018	2017	2016	Definition
Interest-bearing loans (segment reporting)	2,737	2,817	2,228	1,786	1,959	Interest-bearing loans (segment reporting) divided by balance sheet total (segment reporting)
Balance sheet total (segment reporting)	16,665	17,593	16,487	15,405	12,848	
Interest-bearing liabilities/total assets, %	16	16	14	12	15	Reason to use the measure Measures financial position
<hr/>						
Asset turnover rate	2020	2019	2018	2017	2016	Definition
Revenue (segment reporting)	15,388	15,692	16,161	17,008	15,752	Revenue (segment reporting) divided by average balance sheet total (segment reporting)
Average balance sheet total (segment reporting)	17,129	17,040	15,946	14,127	12,539	
Balance sheet total, at beginning of the year	17,593	16,487	15,405	12,848	12,230	
Balance sheet total, at end of the year	16,665	17,593	16,487	15,405	12,848	
Asset turnover rate, multiple	0.90	0.92	1.01	1.20	1.26	Reason to use the measure Measures financial position

Amounts in SEK m unless otherwise stated.

DEFINITIONS KEY FINANCIAL FIGURES – IFRS

Interest-bearing net liabilities (+)/receivables (-)	2020	2019¹⁾	2018	2017²⁾	2016	Definition
Interest-bearing liabilities						Interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables
Pension provisions	1,804	1,702	1,388	1,251	1,239	
Non-current interest-bearing liabilities	1,179	1,359	146	203	517	Reason to use the measure
Current interest-bearing liabilities	6,480	5,320	4,968	4,331	2,055	Measures external financing compared to own cash and cash equivalents
Cash and cash equivalents and interest-bearing receivables	-3,037	-2,397	-1,682	-2,576	-1,524	
	6,426	5,984	4,820	3,209	2,287	
<hr/>						
Equity/assets ratio	2020	2019¹⁾	2018	2017²⁾	2016	Definition
Equity	7,598	7,126	6,644	6,043	4,951	Shareholders' equity divided by balance sheet total
Balance sheet total	23,088	22,972	20,648	19,111	14,332	
Equity/assets ratio, %	33	31	32	32	35	Reason to use the measure Measures financial position
<hr/>						
Debt/equity ratio	2020	2019¹⁾	2018	2017²⁾	2016	Definition
Interest-bearing net liabilities	6,426	5,984	4,820	3,209	2,287	Interest-bearing net liabilities divided by equity
Equity	7,598	7,126	6,644	6,043	4,951	
Debt/equity ratio, multiple	0.8	0.8	0.7	0.5	0.5	Reason to use the measure Measures financial position
<hr/>						
Interest coverage ratio	2020	2019¹⁾	2018	2017	2016	Definition
Profit/loss before tax	1,917	1,882	1,807	2,666	1,871	Profit/loss before tax plus financial expenses divided by financial expenses
Financial expenses	107	86	79	69	68	
Interest coverage ratio, multiple	18.9	18.8	23.9	39.6	28.5	Reason to use the measure Measures financial position
<hr/>						
Earnings per share, diluted	2020	2019¹⁾	2018	2017	2016	Definition
Profit/loss for the period after dilution	1,543	1,529	1,427	2,261	1,479	Profit/loss for the year attributable to shareholders of the Parent Company divided by weighted average number of shares
Average number of shares	70,061,421	69,985,557	69,865,418	70,844,023	72,725,820	
Earnings per share, diluted, SEK	22.00	21.90	20.40	31.90	20.30	Reason to use the measure Measures profit per share

¹⁾ IFRS 16 Leasing affects the key figures for the current year. Comparative figures have not been restated.

²⁾ Comparative figures for 2017 have been restated due to reclassification of project financing in JM Residential Stockholm and JM Residential Sweden.

Amounts in SEK m unless otherwise stated.

JM SHARE

Total return¹⁾	2020	2019	2018	2017	2016	Definition
Change in share price, SEK	13.20	104.40	-13.90	-76.30	10.50	The sum of change in share price during the year and dividend paid divided by share price at beginning of the year
Dividend paid, SEK	12.50	12.00	11.00	9.50	8.25	
Share price, at beginning of the year, SEK	277.40	173.00	186.90	263.20	252.70	
Total return, %	9	67	-2	-25	7	Reason to use the measure Measures total return for the shareholder during a specific period
Dividend yield¹⁾	2020	2019	2018	2017	2016	Definition
Proposed dividend, SEK	12.75	12.50	12.00	11.00	9.50	Proposed dividend divided by share price as at end of the period
Share price, at end of the year, SEK	290.60	277.40	173.00	186.90	263.20	
Dividend yield, %	4.4	4.5	6.9	5.9	3.6	Reason to use the measure Measures return liquidity for the shareholder
Earnings per share, (diluted) segment reporting	2020	2019	2018	2017	2016	Definition
Profit/loss for the period after dilution	1,575	1,573	1,441	2,196	1,541	Profit/loss for the period according to income statement (segment reporting) attributable to shareholders of the Parent Company divided by weighted average number of shares
Average number of shares	70,061,421	69,985,557	69,865,418	70,844,023	72,725,820	
Earnings per share, (diluted) segment reporting, SEK	22.50	22.50	20.60	31.00	21.20	Reason to use the measure Measures profit per share
Development properties per share, market value¹⁾	2020	2019	2018	2017	2016	Definition
Development properties, market value	14,300	15,600	15,300	14,700	14,100	Development properties' market value at the end of the period divided by number of shares at end of the period
Number of shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	71,448,330	
Development properties per share, market value, SEK	206	224	220	212	197	Reason to use the measure Measures market value of development properties per share disregarding financing
Development properties per share, carrying amount¹⁾	2020	2019	2018	2017	2016	Definition
Development properties, carrying amount	7,831	8,938	8,306	7,543	7,121	Development properties' carrying amount at end of the period divided by number of shares at end of the period
Number of shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	71,448,330	
Development properties per share, carrying amount, SEK	113	128	119	108	100	Reason to use the measure Measures carrying amount of development properties per share disregarding financing
Project properties per share, market value¹⁾	2020	2019	2018	2017	2016	Definition
Project properties, market value	1,651	1,769	2,002	1,343	863	Project properties' market value at the end of the period in relation to the number of shares at the end of the period
Number of shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	71,448,330	
Project properties per share, market value, SEK	24	25	29	19	12	Reason to use the measure Measures the market value of project properties per share disregarding financing
Project properties per share, carrying amount¹⁾	2020	2019	2018	2017	2016	Definition
Project properties, carrying amount	1,246	1,399	1,635	1,074	602	Project properties' carrying amount at the end of the period in relation to the number of shares at the end of the period
Number of shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	71,448,330	
Project properties per share, carrying amount, SEK	18	20	23	15	8	Reason to use the measure Measures the carrying amount of project properties per share disregarding financing
Equity per share	2020	2019	2018	2017	2016	Definition
Equity (segment reporting)	7817	7,326	6,798	6,178	5,158	Equity (segment reporting) at the end of the period divided by number of shares at end of the period
Number of shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	71,448,330	
Equity per share, SEK	112	105	98	89	72	Reason to use the measure Measures the value of equity per share, net worth
Interest-bearing net liabilities per share	2020	2019	2018	2017	2016	Definition
Interest-bearing net liabilities (segment reporting)	-300	420	546	-790	435	Interest-bearing net liabilities (segment reporting) at end of the period divided by number of shares at end of the period
Number of shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	71,448,330	
Interest-bearing net liabilities per share	-4	6	8	-11	6	Reason to use the measure Measures the value of interest-bearing net liabilities per share

¹⁾ The key figure is the same according to both segment reporting and IFRS reporting.

OTHER DEFINITIONS

	Definition	Reason to use the measure
Revenue (segment reporting)	Revenue and profit in the projects are reported period-by-period, in pace with recognition of sales, providing a direct link between financial reporting and operations conducted during the period.	Measures revenue given completion and current market conditions
Operating profit (segment reporting)	Revenue (segment reporting) less production and operating expenses less selling and administrative expenses plus gains from property sales and joint venture and impairment.	Measures profit/loss given completion and current market conditions
Equity (balance sheet, segment reporting)	Equity (IFRS) adjusted for historic profit recognition according to percentage of completion method for JM International.	Measures equity (segment reporting)
Liabilities (segment reporting)	Liabilities (IFRS) adjusted with recognized revenue according to percentage of completion method for ongoing projects JM International reported net to project financing. Projects under liabilities exceed project financing recognized revenue.	Measures liabilities (segment reporting)
Assets (segment reporting)	Assets (IFRS) adjusted with recognized revenue according to percentage of completion method for ongoing projects JM International instead of capitalized cost (work in progress) reported net to project financing. Projects under assets exceed project financing recognized revenue.	Measures assets (segment reporting)
Development properties	Refers mainly to land that can be developed for future projects; classified as current assets. <ul style="list-style-type: none"> • Land with residential building rights • Land with commercial building rights • Land developed for residential projects or further development for project properties. 	Measures assets that may be reclassified to project expense in the future
Project properties	Classified as current assets and comprise large property portfolios for further development and commercial properties. <ul style="list-style-type: none"> • Properties under development • Completed rental and residential care units • Completed commercial properties. 	Measures assets that are for sale or can be exchanged for development properties
Operating cash flow (only business segment)	Change in operating capital plus profit for the period adjusted for non-cash items.	Measures cash flow per business segment
Return on operating capital	Operating profit (segment reporting) divided by average (five measurement points in the past five quarters) operating capital.	Measures profitability and capital efficiency by business segment
Operating capital	Total goodwill, project properties, development properties, participations in tenant-owners associations and joint venture etc., receivables from property sales, receivables from sold participations in tenant-owners associations, and accounts receivable and revenue less progress billings minus accounts payable, liabilities to tenant-owners associations and progress billings in excess of recognized revenue.	Measures capital utilization per business segment

Board of Directors' Report

The Board of Directors and the President of JM AB (publ), CIN 556045-2103, hereby submit the annual accounts and consolidated financial statements for 2020.

MARKET, SALES AND HOUSING STARTS

The housing market in Stockholm improved during the year with rising average prices on the existing home market. The total supply of residential units was normal, but the supply of newly produced units continued to decrease during the year. Profitability continued to be good, and housing starts in Stockholm were supported by a normal level of reservations.

The housing market in the rest of Sweden was stable, and the supply of newly produced units continued to decrease during the year. The housing operations in the rest of Sweden are showing good profitability with good levels of sales and housing starts.

In Norway, the activity on the housing market recovered at the end of the year with stable or slightly increased prices on the existing home market. The housing market also recovered in Finland during the year.

Population growth in our main markets, coupled with continued low interest rates, supports demand for housing.

The number of residential units sold in the form of signed contracts increased to 4,026 (3,595)^{1) 2)}. The percentage of sold and reserved homes in relation to current production amounts to 74 percent (65), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 1,340 residential units (1,120), JM Residential Sweden sold 1,208 (1,084), JM International sold 1,060 (1,015), and JM Property Development sold 418 (376).

The number of housing starts was 3,199 (3,269)^{3) 4)}. JM Residential Stockholm started production on 1,032 residential units (989), JM Residential Sweden on 1,072 (1,095), JM International on 1,095 (1,042), and JM Property Development on 0 (143).

In addition to demand, planning processes continue to be an important factor for the rate of housing starts. Assuming that the market continues to be positive, we consider there to be a good possibility of achieving a higher level of housing starts in 2021 compared to 2020 based on the planning conditions in the building rights portfolio.

The number of residential units in current production amounted to 7,976 (7,813), of which 463 are rental units (600) in JM Property Development.

REVENUE

Consolidated revenue according to segment reporting for the year amounted to SEK 15,388m (15,692). The decrease in revenue is primarily attributable to lower revenue in the Norwegian operations and the decrease in external activities within JM Construction. Revenue restated according to IFRS increased to SEK 16,291m (15,605).

OPERATING PROFIT

Operating profit according to segment reporting amounted to SEK 2,028m (2,008), and the operating margin amounted to 13.2 percent (12.8). Operating profit excluding JM Construction, Business area Construction, amounted to SEK 2,051m (2,243) and the operating margin to 13.5 percent (14.5). Gains from the sale of properties, etc., of SEK 191m (276) are included in the operating profit. Operating profit restated according to IFRS amounted to SEK 2,018m (1,982). The restatement is related to JM International, with an effect on earnings of SEK –37m (–43) and leases according to IFRS 16 with an effect on earnings of SEK 27m (17).

Operating profit for the JM Residential Stockholm business segment amounted to SEK 926m (916), and the operating margin decreased to 14.6 percent (16.4). Operating profit for JM Residential Sweden decreased to SEK 657m (719), and the operating margin decreased to 15.7 percent (16.1). Operating profit for JM International decreased to SEK 276m (355), of which capital gains from property sales amounted to SEK –1m (38). The operating margin decreased to 7.4 percent (8.8).

Operating profit/loss for JM Construction amounted to SEK 31m (–141). The profit in 2019 was primarily due to the discontinuation of the housing operations.

Rental income from JM's project properties amounted to SEK 80m (86). Net rental income was SEK 57m (58).

JM has not received government support attributable to COVID-19 other than the general reduction in employer's contributions and sick pay costs of around SEK 12m, where the effect has been allocated throughout the year.

BUSINESS SEGMENTS	Revenue		Operating profit		Operating margin, %	
	2020	2019	2020	2019	2020	2019
SEK m						
JM Residential Stockholm	6,358	5,575	926	916	14.6	16.4
JM Residential Sweden	4,193	4,468	657	719	15.7	16.1
JM International	3,747	4,021	276	355	7.4	8.8
JM Property Development	169	227	178	194		
JM Construction	1,253	1,691	31	–141	2.5	–8.3
Elimination	–332	–290				
Group-wide expenses			–40	–35		
Total (segment reporting)	15,388	15,692	2,028	2,008	13.2	12.8
Restatement JM International	–137	–816	–37	–43		
Leases IFRS 16			27	17		
Reclassification property sale	1,040	729				
Total (IFRS)	16,291	15,605	2,018	1,982	13.2	12.7

¹⁾ Of which 418 rental units (376) in JM Property Development

²⁾ Of which 170 residential units (226) in JM International and JM Residential Sweden to investors

³⁾ Of which 0 rental units (143) in JM Property Development

⁴⁾ Of which 170 residential units (226) in JM International and JM Residential Sweden to investors

RESIDENTIAL UNITS IN CURRENT PRODUCTION

	12/31/2020	12/31/2019
Number of residential units in current production ^{1) 2)}	7,976	7,813
Percentage of sold residential units in current production, % ³⁾	60	53
Reserved residential units in current production, %	14	12
Sold/reserved residential units in current production, %	74	65
1) Of which rental units and residential care units in current production in JM Property Development — not included in the percentage of sold and reserved residential units in current production	463	600
Including residential units in projects where costs incurred are only reported as project properties under construction	320	457

2) Beginning with production start-up through final occupancy according to plan.

3) Percentage of sold residential units expressed as binding contract with the end customer.

UNSOLD UNITS

	12/31/2020	12/31/2019
Completed production, number of unsold units ¹⁾	143	157
The number of unsold residential units in the balance sheet reported as "Participations in tenant-owners associations, etc"	85	82

1) After final occupancy according to plan.

FINANCIAL INCOME AND EXPENSES

Net financial items, excluding interest expenses for leasing, improved somewhat compared to the previous year due to slightly lower average interest-bearing liabilities and lower average interest rates.

SEK m	12/31/2020	12/31/2019
Financial income	6	6
Financial expenses ¹⁾	-107	-106
Financial income and expenses	-101	-100
1) Of which interest expenses, leasing	-28	-20

PROFIT/LOSS BEFORE TAX

Profit before tax according to segment reporting amounted to SEK 1,955m (1,928). Profit restated according to IFRS increased to SEK 1,917m (1,882).

TAX AND PROFIT FOR THE YEAR

Profit for the year according to segment reporting amounted to SEK 1,575m (1,570). Profit for the year restated according to IFRS amounted to SEK 1,539m (1,526). Total tax expense was SEK -380m (-358) and according to IFRS SEK -378m (-356), including current tax of SEK -416m and deferred tax of SEK 38m according to IFRS.

The lower tax expense for 2020 compared to the nominal tax rate is primarily due to non-taxable revenue for the sale of completed rental properties.

A charge of SEK 45m (39) was taken against earnings for the property tax, which is treated as an operating expense.

DEVELOPMENT AND PROJECT PROPERTIES**Residential building rights**

The number of available building rights at the end of the year amounted to 37,800 (35,900), of which 20,400 (21,100) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 7,815m (8,917).

TOTAL NUMBER OF RESIDENTIAL BUILDING RIGHTS

(Including rights carried in the balance sheet as development properties)

	2020		2019	
JM Residential Stockholm	12,500	(7,300)	12,800	(7,800)
JM Residential Sweden	9,900	(6,300)	10,500	(6,600)
JM International	14,200	(6,500)	11,800	(6,600)
JM Property Development	1,200	(300)	800	(100)
Total	37,800	(20,400)	35,900	(21,100)

The valuation of JM's total development properties with a carrying amount of SEK 7.8bn (8.9) shows a surplus value of SEK 6.5bn (6.7). This valuation was carried out in cooperation with an independent appraisal company. This large surplus value confirms JM's geographic acquisition strategy.

JM acquired development properties for residential units during the year for SEK 1,022m (1,745), of which SEK 617m relates to JM Residential Stockholm, SEK 278m to JM Residential Sweden and SEK 127m to JM International. Net investments in development properties during the year totaled SEK -899m (580). The building rights portfolio then amounts to SEK 7,831m (8,938). These holdings are essential for JM's residential development projects.

DEVELOPMENT PROPERTIES (HOUSING)

SEK billion	12/31/2020		12/31/2019	
	Market value	Carrying amount	Market value	Carrying amount
JM Residential Stockholm	8.8	4.2	9.8	4.9
JM Residential Sweden	2.6	1.5	2.5	1.5
JM International	2.9	2.1	3.3	2.5
Total	14.3	7.8	15.6	8.9

Project properties

Rental income from JM's project properties was to SEK 80m (86). Net rental income was to SEK 57m (58). Investments in project properties during the year totaled SEK 691m (427). Properties were sold for SEK 1,040m (729) with gains of SEK 170m (170). The externally appraised market value of JM's project properties was estimated at SEK 1,651m (1,769) with a carrying amount of SEK 1,246m (1,399), which means a surplus value of SEK 405m (307).

PROJECT PROPERTIES 12/31/2020	Market value, SEK m	Carrying amount, SEK m	Area (000) m ²	Occupancy rate annual rent, %
Properties under development	1,615	1,215	22	90
Completed rental unit properties	—	—	—	—
Completed commercial properties	36	31	1	81
Total	1,651	1,246	23	89

FINANCIAL ITEMS**Interest-bearing liabilities and average interest rates**

As at December 31, 2020, interest-bearing net receivables according to segment reporting totaled SEK 300m (-420). Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 435m (929). Of these liabilities, SEK 64m (164) were current. According to IFRS, interest-bearing net liability amounted to SEK 6,426m (5,984) after the addition of project

financing within JM International of SEK 2,609m (2,705) and part of the project financing within JM Residential Stockholm and JM Residential Sweden of SEK 3,400m (2,007), as well as liabilities from leases according to IFRS 16 of SEK 717m (852). Total interest-bearing loans according to segment reporting on December 31, 2020, amounted to SEK 2,737m (2,817), of which the provision for pensions comprised SEK 1,804m (1,702). According to IFRS, total interest-bearing liabilities amounted to SEK 9,463m (8,381). A revaluation of the pension liability as a result of changed assumptions regarding the discount rate and inflation increased the liability by SEK 42m (255).

At the end of the year, the average interest rate for total interest-bearing loans according to segment reporting and including the pension liability was 1.5 percent (2.0). The average term for fixed-rate loans excluding the pension liability was 0.5 years (0.2). Since the volume of long-term borrowing is relatively limited, the Group works mainly with short term credit facilities.

Cash flow

Cash flow during the year from operating activities according to segment reporting was SEK 1,715m (1,291). Net investments in development properties resulted in a cash flow of SEK 481m (-540). The increased holdings of repurchased residential units resulted in a cash flow of SEK -77m (291). Consolidated cash flow from project properties (sales minus investment) during the year was SEK 369m (439).

Cash flow from operating activities according to IFRS was SEK -710m (-1,403). The difference in comparison to segment reporting is due to reclassified project financing within JM International, JM Residential Stockholm and JM Residential Sweden and reporting of leases according to IFRS 16. Also see comments to the cash flow statement on page 67.

Liquidity

Consolidated available liquidity was SEK 5,837m (5,197). Aside from cash and cash equivalents of SEK 3,037m (2,397), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 3.1 years (3.3).

SHAREHOLDERS' EQUITY

As at December 31, 2020, consolidated equity according to segment reporting amounted to SEK 7,817m (7,326) and translated according to IFRS to SEK 7,598m (7,126). Undistributed earnings according to IFRS amounted to SEK 6,827m (6,199). In 2020 the dividend to shareholders was SEK 12.50 per share (12.00), for a total of SEK 870m (835). The 2020 Annual General Meeting resolved on a dividend of SEK 6.25 per share, and the Extraordinary General Meeting held in November 2020 resolved on an additional dividend for 2019 of SEK 6.25 per share. The equity ratio according to segment reporting was 47 percent (42). The equity ratio according to IFRS was 33 percent (31).

RISKS AND RISK MANAGEMENT

A description of significant risks and uncertainty factors that JM faces is presented on page 83.

HUMAN RESOURCES

The number of employees decreased during 2020 by 1 percent and amounted to 2,530 (2,559) at the end of the year. Current staffing is dimensioned to the current project volume, and adjustments are made on a regular basis. Demand on the labor market for qualified project development skills continues to be strong but has decreased slightly. The number of wage-earners was 966 (996) and the number of salaried employees was 1,564 (1,563). The average number of employees during the year was 2,600 (2,598) including 543 (545) employed in JM's foreign companies. Wages, salaries, and social security expenses totaled SEK 2,198m (2,258), of which social security expenses comprised SEK 724m (742).

ENVIRONMENTAL PROGRAM

How JM treats the environment today will leave its mark long into the future. Environment initiatives require a businesslike approach both in the short term and in the long term. This provides long-term value growth for owners as well as added value for customers through, for example, lower operating costs, improved quality and greater sustainability in the home. JM continuously develops its environmental work using our Operations System, improvement work, measurable targets and environmental training programs. Follow-up occurs via non-conformity and key figure reports as well as internal audits. Prioritized environmental issues include energy consumption, choice of building materials, building waste, transports and machinery, and contaminated soil.

SUSTAINABILITY REPORT

The Sustainability Report in accordance with the Annual Accounts Act is reported in About the Sustainability Report on page 137.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is on pages 122–131.

WORK OF THE BOARD IN 2020

The 2020 Annual General Meeting elected eight members. The employee organizations appointed two members and two deputies. The Board of Directors held fifteen meetings. In addition, the Audit Committee held nine meetings, the Compensation Committee four meetings, and the Investment Committee five meetings. The most important issues for the Board in 2020 were decisions to start production on major housing projects, the major acquisitions of development properties, the acquisition of a project property, the strategic plan, the establishment of a new structure for long-term management of rental units and in conjunction with this the sale of three rental properties with leasehold rights to a new joint venture company, the decision to appeal Finansinspektionen's decision in the so-called consolidation matter, proposed short-term and long-term variable remuneration programs, and a proposed convertible debenture program for all employees in Sweden. The Board members' participation in meetings can be seen in the chart on pages 126–127. The performance of the Board of Directors is evaluated every fall.

The results of the evaluation were presented to and discussed by the Board and the Nomination Committee. A description of the committees and their members is presented in the Corporate Governance Report on pages 125 and 128.

DIVIDEND

Unrestricted equity in the Parent Company amounts to SEK 4,431m. For 2020, the Board of Directors proposes a dividend of SEK 12.75 (12.50) per share, for a total of SEK 887m (870). Remaining unrestricted equity of SEK 3,544m is proposed for carry-forward. The proposed record date for the dividend is Friday, March 26, 2021. If the Annual General Meeting resolves to adopt the proposal, the dividend will be sent on Wednesday, March 31, 2021.

REPURCHASE OF OWN SHARES

The strong balance sheet and good cash flow enable capital transfer to shareholders in addition to regular dividends. In light of this, the Board of Directors will propose that the Annual General Meeting resolve to authorize the Board of Directors, during the period up to the next Annual General Meeting and on one or more occasions, to resolve on the buy-back of shares so that the Company's holdings do not at any point in time exceed 10 percent of all the shares in the Company. The acquisition must take place on Nasdaq Stockholm at a price within the current spread.

OUTSTANDING SHARES

The number of outstanding shares on December 31, 2020, amounts to 69,583,262. One shareholder, OBOS BBL, has a shareholding in the Company representing at least one-tenth of the voting rights for all shares in the Company. OBOS's holdings of the Company's shares amounted to 20.1 percent on January 31, 2021.

SHARE CAPITAL

JM's share capital on December 31, 2020, amounted to SEK 70m (70) represented by 69,583,262 shares. All shares carry equal voting rights and equal rights to a share of the Company's equity and have a par value of SEK 1. The issued shares are freely transferable with no restrictions imposed by law or JM's Articles of Association. JM knows of no agreements involving shareholders that may restrict the right to transfer shares.

In the event major changes occur to the ownership structure of JM AB, i.e. more than 30 percent or significant changes to the voting rights in JM AB are transferred to another owner or that JM AB is delisted from Nasdaq Stockholm, the credit line of SEK 2,800m can be terminated by the lenders.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The 2020 Annual General Meeting resolved on the following guidelines for remuneration to senior executive that apply going forward.

These guidelines cover the CEO and other members of Group management. The guidelines should apply to contractual remuneration and changes made to already agreed remuneration.

The guidelines do not apply to remuneration decided by the General Meeting.

Guidelines' promotion of the Company's business strategy, long-term interests and sustainability

JM is one of the leading developers of housing and residential areas in the Nordic region. Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland. We are also involved in project development of commercial premises and contract work, primarily in the Greater Stockholm area. JM should promote long-term sustainability work in all its operations. For more information about the business strategy, long-term interests and sustainability, see www.jm.se.

A successful implementation of the Company's business strategy and the protection of the Company's long-term interests, including its sustainability, requires that the Company can recruit and keep qualified employees. This in turn requires that the Company offer competitive remuneration. These guidelines make it possible to offer senior executives competitive total remuneration.

The basis for remuneration to senior executives is the fulfillment of financial targets, customer satisfaction, and individual performance. A prerequisite for the payment of remuneration is compliance with policies, guidelines and JM's Code of Conduct.

Remuneration covered by these guidelines should aim to promote the Company's business strategy and long-term interests, including its sustainability.

The Company has offered for a number of years the possibility for all employees in Sweden, including Group management, to subscribe to convertible debentures. The Company intends to continue with this offer in the future. The General Meeting resolves on the programs, and they are thus not covered by these guidelines.

Forms of remuneration, etc.

Remuneration should be competitive and may consist of the following components: fixed cash salary, short- and long-term variable cash remuneration, pension benefits, and other benefits.

The fulfillment of criteria for payment of short-term variable cash remuneration must be measurable during a period of one year and may amount to at the most 50 percent of the total fixed cash salary during the measurement period. The long-term variable remuneration program must be measurable during a period of three years and may amount to at the most 50 percent of the total fixed cash salary during the year the program started.

For the CEO, pension benefits, including health insurance, must be defined-contribution. Variable cash remuneration may not be pensionable. The pension premiums for defined-contribution may amount at the most to 35 percent of the fixed cash monthly salary. Other senior executives are currently subject to an enhanced ITP plan and a premium-based pension reinforcement of a maximum of SEK 120,000 per year or 30 percent of the fixed cash annual salary exceeding 30 income base amounts. In the event another solution is selected, the pension benefits

must be defined contribution—with pension premiums amounting to at the most 35 percent of the fixed cash salary—unless the executive is subject to a defined-benefit pension in accordance with the provisions of a collective agreement. Variable cash remuneration must be pensionable to the extent this applies under compulsory collective agreement provisions that are appropriate for the executive. The Board of Directors, based on a proposal from the CEO, may approve that retirement pension is offered to senior executives who have turned 62.

Other benefits may include life insurance, health insurance and a company car. Premiums and other costs related to such benefits may together total at the most 5 percent for the CEO and at the most 10 percent for the fixed average cash salary for other senior executives.

Additional cash variable remuneration may be paid in extraordinary situations, assuming that such extraordinary arrangements only are made at the individual level either with the aim of recruiting or keeping senior executives or as compensation for extraordinary tasks performed in addition to regular tasks. This remuneration, for the person in question, may together with the outcome of a short-term variable salary scheme, not exceed an amount corresponding to the maximum possible payout for the short-term variable salary scheme for the payment year in question. Decisions on such remuneration must be made by the Board of Directors following a recommendation by the Compensation Committee.

Regarding employment conditions that are subject to rules other than those that apply in Sweden, for pension benefits and other benefits, reasonable adjustments may be made to comply with such mandatory rules or established local practice, in which case the overarching objective of these guidelines should be fulfilled to the greatest extent possible.

In exceptional cases, Group management may temporarily be supplemented with a non-regular member who is engaged on a consultancy basis. If this occurs, the member will only receive contractual consultant fees. The size of the consultant fee may correspond to at the most the CEO's fixed cash salary for the same period, adjusted upward for an amount corresponding to social security expenses.

Termination of employment

For the termination of employment, the notice period may be at the most twelve months. Fixed cash salary during the notice period and severance pay may together not exceed an amount corresponding to the fixed cash salary for two years for the CEO and one year for other senior executives. If notice of termination is given by the senior executive, the notice period may be at the most six months with no right to severance pay. In the event of an agreement between the Company and the executive on the termination of employment, the above wording means that the severance pay can be paid and/or the termination salary can be paid longer than when the notice of termination is given by the senior executive.

Criteria for distribution of variable cash remuneration, etc.

In addition to the financial performance of the operations, which carries the greatest weight, the short-term variable cash remuneration should also be based on earnings per share and the outcome of customer surveys (Customer Satisfaction Index).

The long-term variable salary scheme is and will be based on the Group's performance targets three years forward in time and, where applicable, the performance of an individual unit.

The criteria that according to the above determine the outcome create incentives for employees to contribute to the realization of the Company's business strategy and thus long-term value creation. If the Board of Directors later were to assess that the business strategy and the Company's long-term interests, including its sustainability, would be better served if the criteria were amended or the targets otherwise modified, these guidelines allow for such changes.

When the measurement period to fulfill the criteria for the payment of variable cash remuneration has closed, the extent to which the criteria have been fulfilled must be determined. The Compensation Committee is responsible for the assessment of variable cash remuneration to the CEO. The CEO is responsible for the assessment of variable cash remuneration to other senior executives. For financial targets, the assessment should be based on the financial information the Company most recently made public.

Salaries and terms of employment for employees

When preparing the Board's proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees were considered in that information about employees' total remuneration, the remuneration components, the increase in the remuneration and the rate of the increase over time formed a part of the Compensation Committee's and the Board's decision basis for the evaluation of the reasonableness of the guidelines and the limitations resulting from them. The remuneration report that is prepared for paid and outstanding remuneration covered by the guidelines reports on the change in the gap between the senior executives' remuneration and other employees' remuneration.

Decision process to determine, review and implement the guidelines

The Board of Directors has established a Compensation Committee. The committee's tasks including preparing the Board's decisions on proposed guidelines for remuneration to senior executives. The Board must prepare a proposal for new guidelines at least every four years and present the proposal for resolution by the Annual General Meeting. The guidelines should apply until new guidelines are adopted by the General Meeting. The Compensation Committee should also monitor and evaluate the program for variable remuneration to senior executives, the application of guidelines for remuneration to senior executives and the applicable remuneration structures and levels in the Company. The members of the Compensation Committee are independent in relation to the Company and senior executives. When the Board of Directors discusses and decides on

remuneration-related matters, the CEO and other members of executive management do not attend the meetings to the extent they are affected by the matters.

Deviations from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines in full or in part if there are grounds for such a decision on a case-by-case basis and a deviation is necessary to ensure the Company's long-term interests, including its sustainability, or to ensure the Company's economic viability. As specified above, the Compensation Committee is tasked with preparing the Board's decisions on remuneration matters, which includes deviations from the guidelines.

More information

For more information about remuneration in JM, including, where relevant, decided remuneration that has not fallen due for payment, see Note 3 on pages 96–97.

PARENT COMPANY

The Parent Company's core business is project development of residential properties and is conducted in the following business segments: JM Residential Stockholm, JM Residential Sweden and JM Property Development. Net sales for the Parent Company in 2020 were SEK 10,790m (10,294). The Parent Company's profit before appropriations and tax was SEK 1,834m (1,772). Investments in properties totaled SEK 962m (410). The average number of employees was 1,752 (1,697), including 1,311 men (1,309) and 441 women (388). Wages, salaries, and social security expenses totaled SEK 1,458m (1,454). An account of the number of employees and payroll expenses is provided in the Parent Company's notes, Note 2 on page 113.

ACCOUNTING FOR HOUSING DEVELOPMENT IN SWEDEN

The annual reports for 2018 and 2019 have presented the housing development in Sweden. The report for the first six months of 2020 included a description of the ongoing investigation and Finansinspektionen's (FI) decision on May 20, 2020, according to which the tenant-owner associations that JM develops may not be considered independent from an IFRS perspective and therefore for accounting purposes must be consolidated in JM's consolidated financial statements.

JM does not share FI's assessment, and even if a change in the accounting will not affect JM's segment reporting, project governance or risk profile, JM considers it to be of principle importance for the matter to be further assessed by a court of law. JM therefore appealed FI's decision to the Administrative Court at the beginning of June 2020. The process to reach a final ruling is judged to potentially take several years. In the annual reports for 2018 and 2019, JM provided disclosures regarding effects on earnings, equity and the tenant-owners associations' liabilities in the event that the tenant-owners associations would be consolidated. Corresponding disclosures are also provided in the 2020 Annual Report on page 90. JM intends to continue to provide such disclosures in the annual report.

IFRS is a principle-based framework that often requires assessments. In complex matters like this, it is possible for

different parties to make different assessments. An accounting revision in line with FI's preliminary assessment does not affect JM's segment reporting, project governance or business risk profile. JM considers segment reporting to most accurately reflect the economic implications of JM's business at the same time as it correlates well with the Group's internal governance, which is based on the Group's cash flows, risk profile and capital allocation.

COVID-19

COVID-19 and its effects have created uncertainty and risks for some time. However, JM stands strong in terms of both its business model and its finances. The percentage of reserved and sold residential units in current production is at a high level. This, together with very limited disruptions so far in terms of staffing and supplier chains, presents possibilities for keeping the business reasonably stable even during a period of a weaker market, and the risks are judged to have decreased going into 2021. At the same time we have contingency plans in place in the event that the COVID-19 situation were to deteriorate.

JM's strategy during the COVID-19 period is to safeguard cash flows and production capacity.

CHANGED FINANCIAL TARGETS

JM is updating and establishing new financial targets that will go into effect on January 1, 2021, to more clearly support growth in the operations and a steady increase in earnings per share. The overall financial targets aim to provide balanced support for the long-term financial development within the Group and at the same time be adapted to the cyclical nature of the business.

- The target for the Group's operating margin is raised from the previous target of 10 percent to be on average 12 percent. Gains from the sale of property will continue to be included in the target for the operating margin. The increase in the target is an adjustment to the margin JM has realized for a long time and its assessed potential going forward
- A return target is introduced where return on equity on average over time should be 25 percent. This new target is an adjustment to the return JM has realized for a long time and takes into consideration that the project development business continuously creates risk capital in the form of surplus values in project and development properties that are not recognized in the balance sheet. The target also supports an optimal capital structure over time and greater earnings per share
- A growth target is introduced where the average increase in the number of housing starts in the long run should be 4 percent a year. The baseline is an annual rate of 3,800 housing starts, which is considered to correspond to the Group's current resource allocation based on the building rights portfolio and staffing.

The previous targets of a visible equity/assets ratio of 35 percent over a business cycle and a dividend pay-out ratio of 50 percent of consolidated net profit after tax over a business cycle are retained as the benchmark for the capital structure and the dividend policy, respectively, but will not be defined as financial targets for Group governance.

JM's financial targets, benchmark for capital structures, and dividend policy are defined using segment reporting.

Risks and risk management

Significant risks and uncertainty factors are listed below. JM's largest risks are attributable to changes in macroeconomic conditions.

Risk	Description of risk	Management	Comments/outcome 2020
MACROECONOMIC RISKS			
Economic growth	Demand for housing is influenced by economic growth and consumer buying power, as well as development in housing prices.	Requirement of well-balanced level of sold/reserved residential units before housing start. Efficiency measures in order to reduce production costs.	GDP decreased with partly cautious housing market in Stockholm during the year. Clearly improved during the second half of the year. A good level of risk has been maintained in current production.
Demographics	Population growth and migration flows influence demand for housing.	JM's strategy is to operate in cities and areas with the best demographic and economic prerequisites.	Fundamental demographic trends are stable in our main markets.
Competition scenario	The number of competitors impacts offering and pricing, and thus profitability.	The local competitive situation is continuously monitored. JM works to distinguish itself via its corporate culture, flexibility and acquisition expertise, and to distinguish its offer via customer focus, quality profile and marketing.	Decreased competition in our main segments with lower supply of newly produced residential units.
Political risks	Political decisions such as conditions for different forms of tenure, investments in infrastructure and municipal planning, etc., can change the prerequisites.	Flexible local plans and decisions on form of tenure as late as possible.	Unchanged political risks, some uncertainty regarding regulatory issues.
Acute macro-economic changes	Severe shocks with widespread global impact. Potential impact on demand, supply and flows of goods and services within and between countries (for example: terrorism, conflicts, financial crisis, pandemic, natural catastrophe).	Ability to adapt quickly, follow guidelines from the government and authorities, crisis preparedness and ongoing scenario analyses.	Pandemic. Digital solutions for customer interaction and remote working, safeguarded cash flows and production capacity, few shocks in the supply chain, and absence due to illness in line with previous years.
OPERATIONAL RISKS			
Risks related to building rights portfolio	The risk of there being too few or too many building rights, or that they are in the wrong areas. Risk of planning being delayed or local plans not being approved.	Ongoing market and customer surveys and close cooperation with potential home buyers to ensure understanding of customer needs. Reduce risks by acquisitions being on condition that the local plan gains final approval.	Continued risk has been identified for allocating resources to manage planning processes in some municipalities in the long term.
Implementation risk	Lack of planning or analysis leads to delays, excessively high costs and insufficient customization.	Efficiency measures in order to reduce production costs. Required level of sold/reserved residential units before housing start. Stricter procedures for monitoring, oversight and control. Structured Project Development.	Favorable development of efficiency measures in the Group's processes.
Unsold units	Unsold residential units result in lower profitability for the project and undesired tied-up capital in the balance sheet.	Starting the project in phases, at the same rate that residential units are sold/reserved, means the risk of unsold residential units can be controlled. The goal is for all residential units to be sold by final inspection.	At the end of the year, JM had purchased 85 (unsold) units with a carrying amount of SEK 445m in the balance sheet.
Price development during production	A drop in housing prices during the project means the residential units will be difficult to sell or the project will be unprofitable.	Phased starts mean that JM can better match price to demand.	An improved market resulted in higher price levels for residential units. Unchanged size in project phases.
FINANCIAL RISKS (see note 25, Financial risk management on page 105)			
Interest rate risk	Changes in market interest rates can negatively impact earnings and cash flow.	The Board has adopted guidelines for fixed interest and maturities. Rules for managing interest rate risk in building loans.	Expectation of somewhat stable interest rates in the financial and housing markets.
Financing risk	Risk that loans that fall due could become more difficult and more expensive to refinance.	JM is attractive to lenders due to its good equity/assets ratio, JM's finance policy.	Possibilities to finance housing production have been good at stable margins.
Liquidity risk	Risk of being unable to fulfill payment obligations.	Good control over cash and cash equivalents, and surplus is only invested in local currency and with low credit risk. Payment readiness via overdraft facilities and committed credit lines.	Unchanged strong liquidity situation.
Currency risk	Fluctuations in exchange rates have a negative impact on the cash flow, income statement and balance sheet.	Limited transaction volumes and selective hedging of balance sheet exposure.	Unchanged low currency exposure.
SUSTAINABILITY RISKS			
Climate	Increasing requirements on decreased environment footprint and energy consumption. Elevated water levels, recurring pelting rain and more humid climate.	JM builds low energy buildings. Local plans are adapted to higher water levels. Materials and technical solutions are selected for greater resistance to moisture. Description of moisture protection prepared in all projects.	JM's residential units use significantly less energy than what is required by the government authorities. In 2020, we continued to follow the recommendations of the TCFD framework, Task Force on Climate-related Financial Disclosures, which is described in more detail on page 36.
Human Resources	Difficulties attracting, recruiting and keeping competent employees.	Strong value-driven company culture, clear and committed leadership and an important contributor to sustainable urban development of the future.	New framework for leadership, management training in situation-specific leadership, employer branding.
Social conditions	Risks for accidents, physical and psychological occupational injuries and discrimination in the workplace.	Systematic environment work, wellness work, core values, Code of Conduct and incident reporting system.	Implementation of Safety Week, review of the Code of Conduct at yearly performance reviews. New procedures and training requirements for crane lifting.
Human rights	Deficiencies in social responsibility and compliance with human rights, work environment, labor law, environmental consideration and work to combat corruption in supply chains.	JM performs sustainability assessments, sustainability analyses and audits of its supply chains. Code of Conduct for suppliers and contractors.	102 conducted sustainability assessments of suppliers, of which about 20 were selected to respond to an in-depth survey about their sustainability work, which in turn resulted in two on-site sustainability audits.
Anti-corruption	Risk of improper behavior during business deals.	Clear governance, decision-making, transparency and follow-up of business arrangements. Code of Conduct and ethical guidelines.	Review of the Code of Conduct during recruiting and yearly performance reviews. Regular exercises for employees in handling ethical dilemmas.

CONSOLIDATED INCOME STATEMENT – IFRS

SEK m	NOTE	2020	2019
Revenue	1, 2	16,291	15,605
Production and operating costs	3, 4, 6	-13,337	-12,750
Gross profit		2,954	2,855
Selling and administrative expenses	3, 4, 5, 6	-957	-979
Gains/losses on the sale of property, etc. ^{1) 2)}	7	21	106
Operating profit		2,018	1,982
Financial income	8	6	6
Financial expenses	8	-107	-106
Profit before tax		1,917	1,882
Taxes	9	-378	-356
Net profit for the year		1,539	1,526
Other comprehensive income			
<i>Items that will be reclassified as income</i>			
Translation differences from the translation of foreign operations		-157	41
<i>Items that will not be reclassified as income</i>			
Restatement of defined-benefit pensions		-52	-317
Tax attributable to other comprehensive income		11	65
Total comprehensive income for the year		1,341	1,315
Net profit for the year attributable to shareholders of the Parent Company		1,539	1,526
Comprehensive income for the year attributable to shareholders of the Parent Company		1,341	1,315
Earnings per share, basic, attributable to shareholders of the Parent Company, SEK	10	22.10	21.90
Earnings per share, diluted, attributable to shareholders of the Parent Company, SEK	10	22.00	21.90
Proposed dividend per share, SEK	10	12.75	12.50
¹⁾ Of which sale of operations		-	15
²⁾ Of which income from joint venture		4	-

CONSOLIDATED BALANCE SHEET – IFRS

SEK m	NOT	12/31/2020	12/31/2019
ASSETS	2		
Non-current assets			
Goodwill	11	168	186
Machinery and equipment	12	8	14
Rights-of-use offices and cars	13	157	200
Participations in joint operations and joint ventures	14, 15	78	1
Deferred tax assets	28	7	–
Financial assets	16, 25	17	18
Total non-current assets		435	419
Current assets			
Project properties	17	1,246	1,399
Development properties	17	7,831	8,938
Rights-of-use leasehold rights	13	558	650
Participations in tenant-owners associations, etc.	18	445	366
Work in progress	19	3,577	3,781
Accounts receivable	25	802	912
Other current receivables	20	521	726
Prepaid expenses and accrued income		35	29
Recognized revenue less progress billings	21	4,601	3,355
Cash and cash equivalents	22, 23	3,037	2,397
Total current assets		22,653	22,553
TOTAL ASSETS		23,088	22,972
EQUITY AND LIABILITIES	2		
Equity attributable to shareholders of the Parent Company			
Share capital		70	70
Other capital contributions		898	897
Reserves		–197	–40
Undistributed earnings (including net profit for the year)		6,827	6,199
Total shareholders' equity		7,598	7,126
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	23, 24, 25	1,180	1,359
Other non-current receivables	23, 24, 25	372	765
Provisions for pensions and similar obligations	23, 26	1,804	1,702
Other non-current provisions	27	848	846
Deferred tax liabilities	28	603	639
Total non-current liabilities		4,807	5,311
Current liabilities			
Accounts payable	24, 25	819	1,015
Current interest-bearing liabilities	23, 24, 25	6,480	5,320
Other current liabilities	24, 25	687	1,050
Current tax liabilities		137	126
Progress billings in excess of recognized revenue	29	1,008	1,467
Accrued expenses and deferred income	30	1,419	1,423
Current provisions	27	133	134
Total current liabilities		10,683	10,535
Total liabilities		15,490	15,846
TOTAL EQUITY AND LIABILITIES		23,088	22,972

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – IFRS

SEK m	Attributable to shareholders of the Parent Company					Total shareholders' equity
	Share capital	Other capital contributions	Translation reserves	Undistributed earnings		
Opening balance, January 1, 2019	70	895	-81	5,760		6,644
Total comprehensive income for the year	–	–	41	1,274		1,315
Dividend to equity holders of the Parent Company	–	–	–	-835		-835
Conversion of convertible loan	–	2	–	–		2
Closing balance, December 31, 2019	70	897	-40	6,199		7,126
Opening balance, January 1, 2020	70	897	-40	6,199		7,126
Total comprehensive income for the year	–	–	-157	1,498		1,341
Dividend to equity holders of the Parent Company	–	–	–	-870		-870
Conversion of convertible loan	–	1	–	–		1
Closing balance, December 31, 2020	70	898	-197	6,827		7,598

The change in translation difference for the year amounts to SEK -57m (41), and the accumulated translation difference in closing equity was SEK -197m (-40). The Swedish krona was strengthened/weakened against the Norwegian krona and the Euro during the year.

Valutakurser använda i koncernbokslutet anges i följande tabell.

Exchange rates		Average exchange rate		Exchange rate, December 31	
Country	Currency	2020	2019	2020	2019
Finland	EUR	10.4867	10.5892	10.0375	10.4336
Norway	NOK	0.9786	1.0747	0.9546	1.0579

The dividend to shareholders of the Parent Company totaled SEK 870m (835), corresponding to SEK 12.50 (12.00) per share.

CONSOLIDATED CASH FLOW STATEMENT – IFRS

SEK m	NOTE	2020	2019
	1, 23		
OPERATING ACTIVITIES			
Operating profit		2,018	1,982
Depreciation and amortization		105	114
Increase/decrease in residential units in the balance sheet ¹⁾		-77	291
Other non-cash items ²⁾		-1,859	-1,670
Sub-total, cash flow from operating activities		187	717
Interest received		5	5
Interest paid and other financial expenses		-76	-62
Paid tax		-484	-433
Cash flow from operating activities before change in working capital		-368	227
Investment in development properties		-1,529	-1,819
Payment on account for development properties ²⁾		433	537
Increase/decrease in accounts receivable		954	464
Increase/decrease in other current receivables, etc.		13	-1,061
Increase/decrease in accounts payable		-174	105
Increase/decrease in other current operating liabilities		-408	-295
Cash flow before investments and sales of project properties		-1,079	-1,842
Investment in project properties		-691	-426
Sale of project properties		1,060	865
Cash flow from operating activities ²⁾		-710	-1,403
INVESTING ACTIVITIES			
Investment in property, plant, and equipment		-1	-4
Investment in joint venture		-78	0
Change in financial assets		0	-3
Cash flow from investing activities		-79	-7
FINANCING ACTIVITIES			
Loans raised		453	658
Amortization of debt		-571	-399
Amortization of debt, leasing		-98	-103
Loans raised, project financing ²⁾		4,486	3,922
Amortization of debt, project financing ²⁾		-1,963	-1,125
Dividend		-870	-835
Cash flow from financing activities		1,437	2,118
Cash flow for the year		648	708
Cash and cash equivalents, at beginning of the year		2,397	1,682
Exchange rate difference in cash and cash equivalents		-8	7
Cash and cash equivalents, at end of the year		3,037	2,397

¹⁾ The increase/decrease in residential units in the balance sheet creates a cash flow and is included in the operations' net profit/loss.

²⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing is later taken over by the customer. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

Notes to financial statements

	Page	
Note 1	Accounting and valuation principles	89
Note 2	Segment information	94
	Consolidated income statement by business segment	94
	Revenue	94
	Consolidated operating cash flow by business segment	95
	Consolidated balance sheet by business segment	95
Note 3	Employees and personnel costs	96
Note 4	Depreciation according to plan	98
Note 5	Fees and remuneration to auditors	98
Note 6	Operating costs by cost type	98
Note 7	Gains/losses on the sale of property, etc.	98
Note 8	Financial income and expenses	98
Note 9	Taxes	98
Note 10	Earnings and dividend per share	99
Note 11	Goodwill	100
Note 12	Machinery and equipment	100
Note 13	Rights-of-use	100
Note 14	Participations in joint venture	100
Note 15	Participations in joint operations and joint venture	101
Note 16	Financial assets	102
Note 17	Project properties and development properties	102
Note 18	Participations in tenant-owners associations, etc.	102
Note 19	Work in progress	102
Note 20	Other current receivables	102
Note 21	Recognized revenue less progress billings	102
Note 22	Cash and cash equivalents	102
Note 23	Cash flow and interest-bearing net liabilities	103
Note 24	Financial liabilities	104
Note 25	Financial risk management and financial derivative instruments	105
Note 26	Provisions for pensions and similar obligations	107
Note 27	Other provisions	107
Note 28	Deferred tax assets and tax liabilities	107
Note 29	Progress billings in excess of recognized revenue	108
Note 30	Accrued expenses and deferred income	108
Note 31	Pledged assets and contingent liabilities	108
Note 32	Related party disclosures	108

note 1 Accounting and valuation principles

Amounts in SEK m unless otherwise stated.

COMPANY INFORMATION

These annual accounts and consolidated accounts for JM AB were approved by the Board and the President on February 12, 2021, and will be presented for adoption at the 2021 Annual General Meeting. JM AB is a Swedish public limited company listed on Nasdaq Stockholm, Large Cap segment. The Company has its registered office in Stockholm, Sweden. The address of the head office is Gustav III:s boulevard 64 Solna, Sweden.

STATEMENT OF COMPLIANCE WITH APPLICABLE RULES

The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS). Since the Parent Company is an enterprise within the EU, only EU-approved IFRS are applied. In addition, the consolidated accounts are prepared in compliance with Swedish law through the application of the Swedish Financial Reporting Board recommendation RFR 1 (Supplementary Accounting Regulations for Groups). The Parent Company's annual accounts have been prepared in compliance with Swedish law and with application of the Swedish Financial Reporting Board's recommendation RFR 2 (Reporting for Legal Entities). This means that the Group's accounting principles are applied with the deviations that can be seen in the section about the Parent Company's accounting policies.

Basis for preparation of the accounts

The consolidated accounts are based on historical cost, with the exception of certain financial instruments. Unless stated otherwise, amounts are specified in millions of Swedish kronor (SEK m).

BASIS FOR CONSOLIDATION

The consolidated accounts include the Parent Company and its subsidiaries. The financial statements for the Parent Company and the subsidiaries that are included in the consolidated accounts relate to the same period and have been prepared according to the accounting policies that apply for the Group. A subsidiary is included in the consolidated accounts from the date of acquisition, which is the date on which the Parent Company acquires a controlling influence over the company, normally when the Parent Company owns more than 50 percent of the votes, and is included in the consolidated accounts until the date on which the controlling influence in the company ceases. Internal balances and profits and losses from internal transactions are eliminated.

CHANGES IN ACCOUNTING PRINCIPLES AND METHODS OF CALCULATION

The accounting principles and methods of calculation for the Group are the same as those applied to the previous year.

NEW STANDARDS AS OF 2020

The standards that entered into force have not had any effect on the consolidated financial statements.

NEW STANDARDS ENTERING INTO EFFECT AS OF 2021

The changes to IFRS which will be applied in 2021 are expected to have no or very little impact on JM's financial reporting.

IMPORTANT ESTIMATES AND ASSESSMENTS

The preparation of financial statements requires JM to make assessments, estimates and assumptions which affect the reported amounts of assets and liabilities, the reported amounts of revenue and expenses and other information disclosed. These estimates and assessment reflect what JM considers to be reasonable and legitimate at the time the annual report is presented. Other assessments, assumptions or estimates could lead to other results, and assessments made at a later point in time and/or the actual outcome may differ significantly from the assessments made now, i.e. given events that occurred later or modified global factors. JM must also make assessments regarding the application of the Group's accounting principles.

Important assessments when applying accounting principles

In Sweden, JM enters into agreements with tenant-owners associations to construct turn-key residential properties. JM does not consider itself to have control of these tenant-owners associations in accordance with IFRS 10 Consolidated Financial Statements, and they are therefore not consolidated. The associations are thus viewed as customers of JM.

The activities of a tenant-owners association can be divided into two different phases. The first, the production phase, consists of the phase during which the association is formed and purchases the property in which individual buyers acquire residential units made available as tenant-owned apartments. When the property is completed, the activity transitions into a management phase. During the production phase, relevant activities include signing an agreement with a firm for the production and provision of a turn-key residential property.

The tenant-owners associations are formed by JM-independent professionals within the property and tenant-owned apartment sector, and according to the association's statutes the majority of the board members must be appointed by a JM-independent party during the entire production phase. JM has no right to appoint the associations' boards of directors, and JM never has any representation on these boards.

The boards of the tenant-owners associations evaluate JM's offer and make the decision that is relevant and important for the activities of the production phase to enter into an agreement with JM for the production and provision of a turn-key residential property. The associations also enter into agreements with independent real estate agents, who sell the association's tenant-owned units.

Through the agreement, JM and the tenant-owners associations agree on what will be delivered by JM and when. In other words, JM is hired to deliver a turn-key residential property in exchange for compensation at market rates and cannot influence the relevant activities in the tenant-owners associations during the production phase.

JM also considered other contract terms that could be of significance for the assessment. For example, during the production phase, JM provided surety for the portion of the tenant-owners associations' building loans that exceed the value of the mortgage deed in the property the association pledges as collateral, and JM is obligated to acquire units that are not sold as tenant-owned apartments from the associations after a certain period of time following the final inspection, thus bearing the non-impactable risk that prices may fall (see Note 31). JM also undertakes according to the agreement, in exchange for compensation at market rates, economic management as well as other management during the production phase and compensate the associations for their day-to-day costs. The surety commitment is a temporary, partial credit enhancement that largely is pledged to reduce the cost of issuing the mortgage deed, which is advantageous for both parties. The commitments to acquire unsold apartments occur in several other industries, and the same applies to agreements where transaction prices vary depending on the market price on any given day. JM considers this commitment to have an impact on the assessment of revenue recognition and not the assessment of whether there is any control¹⁾. The described additional services have been agreed purely for administrative reasons and are judged to be unimportant for the order placed with JM by the association for the total undertaking of providing a turn-key residential property.

Given an overall assessment of all the facts and circumstances, JM does not consider the above conditions, which are reported in accordance with IFRS¹⁾, to change JM's conclusion. JM cannot direct the relevant activities of the tenant-owners associations during the production phase, but rather is hired to deliver a turn-key residential property in exchange for compensation at market rates. JM therefore does not consider itself to have power over the associations in accordance with IFRS 10, and thus JM does not have control over the associations.

If JM instead had assessed that it has control, the tenant-owners associations would have been consolidated. JM's customers would then constitute individual buyers of tenant-owned apartments, which means that the revenue would not be reported over time (gradually) but rather at the point in time the buyers of the tenant-owned apartments take occupancy. Based on what JM considers to be reasonable assumptions, under such a scenario JM estimates that revenue and operating profit/loss for 2020 would have amounted to approximately SEK 15.0b,n (compared to

reported revenue of SEK 15.3bn) and approximately SEK 2.1bn (compared to reported operating profit/loss of SEK 2.0bn), respectively, and equity on December 31, 2020, would have amounted to approximately SEK 7.0bn (compared to reported equity of SEK 7.6bn).

JM has no contractual or legal basis for taking part of the financial statements for the tenant-owners association with which JM has an ongoing construction agreement. However, JM has compiled data about these associations' utilized construction loans, which, as at December 31, 2020, amounted to approximately SEK 6.9bn (8.1).

¹⁾ The commitment to acquire unsold apartments is considered when determining the transaction price within the framework of IFRS 15 rules regarding variable remuneration. JM discloses the surety commitment in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, while, according to the same standard, the reporting of the income statement and balance sheet is first relevant in a situation where it is judged to be probable that the commitment will be met.

IMPORTANT SOURCES OF UNCERTAINTY IN ESTIMATES

Revenue recognition over time (percentage of completion method) in current residential and contracting projects

JM applies the percentage of completion method, where revenue and profit/loss are reported gradually over the term of the project based on the forecast completion and the project's actual rate of completion. This requires that income and expenses, and thus the margin, can be reliably estimated. This estimate is based on JM's system for calculations, reporting, follow-up and forecasts. It requires input data in the form of estimates and assessments that are dependent on the knowledge and experience of JM and its employees. However, the final project outcome can deviate from assessments made earlier. See Note 21 and Note 29 for more information.

Provisions for pension commitments

The carrying amount of JM's commitments for defined-benefit pension plans are affected by actuarial assumptions such as the discount rate, inflation, mortality, future wage increases and staff turnover, and where the assumed discount rate normally has the greatest impact. See Note 26 and Note 27 for more information, and Note 26 also provides information about assumptions made and a sensitivity analysis for changes to the chosen discount rate.

Provisions for warranty commitments

Most of JM's contracts with customers, in terms both of project development of residential units as well as contracting agreements in JM Construction, contain provisions for warranty commitments for JM from the obligation to rectify faults and deficiencies within a set period of time (in some cases up to ten years) after the completion of the project. The warranty commitments may also be stipulated by law or in some other way. The calculation of the warranty provisions is normally based on the estimated costs for the project concerned or for a group of similar projects and is determined according to a ratio that has historically provided a reliable estimate of these costs. The ratio can be, for example, a proportion of revenue or estimated cost per completed residential unit. The size of the provision is assessed regularly during the warranty period and adjusted as needed based on experience data in general and, where available, specific damages. Actual outcome may deviate from the provisions based on estimates made. See Note 27 for more information.

Disputes, etc.

Within the framework of its ongoing business, JM is occasionally involved in disputes and legal proceedings. In these cases, JM's assumptions must be evaluated and the probability for various outcomes assessed. Actual outcomes in the future may deviate from the estimates made today. See Note 25 and Note 31 for more information.

CURRENT AND NON-CURRENT LIABILITIES, CURRENT AND NON-CURRENT ASSETS

Liabilities and provisions are reported as either current or non-current. Current liabilities refer to liabilities that are expected to be settled within twelve months of the balance sheet date or when JM does not have an unconditional right to pay later than within twelve months. Current assets include assets that are expected to be realized during JM's normal business cycle or, in terms of claims, within twelve months.

BUSINESS COMBINATIONS

The fair value of identifiable assets and liabilities of acquired operations is determined at the time of acquisition (and also includes, where relevant, assets, liabilities and provisions, including commitments and claims from outside parties, which are not recognized in the balance sheet of the acquired business). The difference between the cost of the acquisition and the acquired share of identifiable net assets in the acquired business constitutes goodwill and is recognized as an intangible asset in the balance sheet. Transaction costs are expensed directly in the profit/loss for the period.

ASSOCIATED COMPANIES AND JOINT VENTURE

Holdings in associated companies are reported using the equity method and include companies in which the Group has a significant influence, which normally is assumed to be the case when the holding amounts to at least 20 percent but not exceeding 50 percent of the voting rights and the ownership is part of a long-term commitment. According to the equity method, holdings in associated companies and joint ventures are reported initially in the consolidated balance sheet at cost. The carrying amount is increased or decreased to take into account the Group's share of profit/loss and other comprehensive income from its associated companies and joint ventures after the date of acquisition. The Group's share of profit/loss is included in consolidated profit/loss, and the Group's share of other comprehensive income in other consolidated comprehensive income. Dividends from associated companies and joint ventures are reported as a decrease in the investment's carrying amount. When the Group's share of losses in an associated company or joint venture is as large as or exceeds the holding in this associated company or joint venture (including all non-current receivables that in reality constitute a part of the Group's net investment in this associated company or joint venture), the Group does not report any further losses unless it has taken on obligations or made payments on behalf of the associated company or the joint venture. Unrealized profits on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's holdings in associated companies and joint ventures. Unrealized losses are also eliminated if the transaction does not constitute an indication of an impairment of the asset that is being transferred. The accounting principles for associated companies and joint ventures have been adjusted if necessary, to ensure alignment with the consolidated accounting principles.

JOINT ARRANGEMENTS

Joint arrangements are operations for which the Group, through cooperation agreements with one or more partners, shares the controlling influence. If the arrangements are joint operations, by which the partners are entitled to the assets and obliged by the liabilities of the arrangements, the partners report their assets, liabilities, income and expenses and their participations in joint assets, liabilities, income and expenses. If the partners are entitled to the arrangement's net assets, this is reported according to the equity method.

TRANSLATION OF FOREIGN OPERATIONS

All foreign Group companies conduct their business activities in the local currency of each country, which is the functional currency of each company. Balance sheets and income statements are translated into the Group's reporting currency (SEK) using the current method. According to the current method, all assets, provisions, and other liabilities are restated at the closing rate of exchange and all items in the income statement are restated using the exchange rate on the date of the transaction (approximated through the translation to the average exchange rate for the period). The translation difference thus arising is reported, as are any translation differences in the financial instruments held to hedge these net assets, in Other comprehensive income and accumulated in the translation reserve within Equity. In the event of a divestment of foreign operations, the accumulated translation difference is returned to the period's profit/loss.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Transactions in foreign currencies (currency other than each company's functional currency) are reported at the translation rate on the transaction date. Monetary receivables and liabilities in foreign currencies are translated at the exchange rate applied on the balance sheet date. Exchange rate differences are reported in profit/loss for the period.

SEGMENT REPORTING

JM's segment reporting differs from IFRS in three aspects. In its segment reporting, revenue for JM International is recognized using the percentage of completion method. In addition, recognized project financing within JM International, JM Residential Stockholm and JM Residential Sweden is recorded as a deduction item to "Revenue less progress billings" or "Progress billings in excess of recognized revenue" and raised/repaid project financing is reported in the cash flow from operating activities. The reporting of leases in accordance with IFRS 16 is not applied in the segment reporting.

JM makes the assessment that segment reporting most accurately reflects the economic implications of JM's business at the same time as it correlates well with the internal governance, which is based on consolidated cash flows, risk profile and capital allocation.

REVENUE RECOGNITION

Revenue and profit/loss from residential project development

JM's residential project development in Sweden is primarily conducted by JM entering a contract with a tenant-owners association as the orderer of a total commitment consisting of the transfer of land and the construction of a residential property. The contracts with the tenant-owners association are entered into simultaneously, priced as a single unit and assessed to constitute a performance obligation. Since JM is contractually obligated to deliver a specific property and during the course of the project is entitled to payment, the revenue is recognized over time, i.e. applying the percentage of completion method. Revenue and profit/loss in the projects are reported in pace with their recognition and sale, providing a direct link between financial reporting and the performance commitment met by JM during the period. Revenue and profit/loss are based on the stage of completion and calculated using the stage of completion taking into consideration the sales rate. The degree of completion is mainly determined by project costs incurred (including land and interest rate expenses) in relation to the total estimated project costs. The sales rate reflects JM's commitment to acquire from the association the residential units that were not sold as tenant-owned apartments within a certain period of time following the final inspection. This commitment introduces an element of variable remuneration which is based on experience data and considered when setting the transaction price. "Sales" refers to the number of residential units sold in the form of binding contracts between the tenant-owners association and the buyers of the residential unit. Revaluations (changes in forecasts) of anticipated project revenue lead to adjustment of previously recognized revenue in the projects concerned and are included in the period's reported profit/loss. If, and thus up until such is no longer the case, a reliable estimate of the profit/loss of the projects cannot be made, revenue is recognized in level with costs incurred. Anticipated losses are expensed immediately and in their entirety against profit/loss for the period.

The difference between recognized revenue and amounts not yet invoiced is reported in the balance sheet as "Revenue less progress billings" (contract asset) or "Progress billing in excess of recognized revenue" (contract liability). Costs for warranty commitments are included in the project costs, and the estimated total warranty cost is included in the project's total expected costs.

In Norway and Finland there is no right to receive payment during the course of the project, which is why income (and cost) is reported at a single point in time, i.e. when the residential unit is completed and turned over to the customer. Until this point, costs incurred in the project are reported in the balance sheet as "Work in progress".

Revenue and profit/loss in JM Construction

JM Construction's revenue is generated primarily from work carried out under construction contracts with customers (orderers). Since the contracting work is carried out on land controlled by the customer, revenue is recognized over time, i.e. applying the percentage of completion method as the contracting project is completed. The stage of completion is mainly determined using project costs incurred in relation to total estimated project costs. Project revenue is recognized as the contractual original contract total and any additional work, claims for specific compensation and incentives to the extent these have been approved by the orderer. If the outcome of a project cannot be reliably estimated, revenue is recognized

in level with costs incurred until the point in time this can occur. Anticipated losses are expensed immediately.

The difference between recognized revenue and amounts not yet invoiced is reported in the balance sheet as "Revenue less progress billings" or "Progress billing in excess of recognized revenue." Costs for warranty commitments are included in the project costs, and the estimated total warranty cost is included in the project's total expected costs.

Gains/losses on the sale of property/commercial property development

Sales of project properties and development properties in existing conditions (normally only land) and that are thus not the object of project development are recognized in the income statement at the point in time when the customer receives control of the property.

During agreements for commercial property development, JM is invariably bound to deliver a specific property and thus never has an alternative use for the property. If JM is entitled to payment during the course of the project, the revenue is recognized over time (gradually). If this is not the case, the revenue is recognized at a single point in time, i.e. at completion. Whether JM is entitled to payment is dependent on the terms of the agreement and/or applicable legislation, and an assessment is made on an agreement-by-agreement basis.

INCOME TAX

The income statement item, Taxes, includes current and deferred income tax. The companies in the Group are liable for tax according to existing legislation in each country. The state income tax rate in Sweden was 21.4 percent (21.4) during the year, 22.0 percent (22.0) in Norway, and 20.0 percent (20.0) in Finland. Current tax is based on reported profit/loss adjusted for permanent differences such as additions for non-deductible items and deductions for non-taxable income and other deductions. Any tax adjustments for previous years are reported as current tax. The balance sheet method is applied to accounting for deferred tax. According to this method, recognition occurs for deferred tax liabilities and assets attributable to temporary differences between carrying amounts and fiscal values of assets and liabilities and, in terms of deferred tax assets, attributable to fiscal deductions. Deferred tax assets are recognized net against deferred tax liabilities to the extent they can be used against deferred tax liabilities. Deferred tax liabilities and tax assets are calculated on the basis of the applicable tax rate for the years during which the items are expected to be realized. The effects of changes in applicable tax rates are taken against income in the period the change becomes law. Deferred tax assets attributable to loss carry-forwards are reduced to the extent that it is not probable they will be realized.

Tax attributable to items reported as Other comprehensive income is also reported in Other comprehensive income.

GOODWILL

Goodwill is the difference between the consideration for a business combination and the fair value of the acquired operations' net assets (see Business Combinations above). Goodwill is not subject to annual write-down but undergoes an impairment test when grounds for such arise or at least once a year. Goodwill is tested for impairment as follows: the goodwill at the time of acquisition is allocated to cash-generating units that correspond to the lowest level within the Group at which goodwill is monitored in JM's internal governance but that is not a larger unit than a reported segment. JM tests carrying amounts by comparing the estimated recoverable amount, normally by discounting estimated future cash flows, to the carrying amount. If the recoverable amount is less than the carrying amount, a write-down is reported within profit/loss for the period.

PLANT, PROPERTY, AND EQUIPMENT

Property, plant and equipment are recognized at cost after deduction for accumulated depreciation and impairment losses, if any. Depreciation according to plan is applied on a straight-line basis and based on the cost and assessed useful life of the assets.

PROJECT PROPERTIES AND DEVELOPMENT PROPERTIES, ETC.

Properties, undeveloped or developed, that are intended for production of tenant-owned apartments/freehold apartments or freehold single-family homes and land for project properties are classified as development properties. Project properties are other properties that are classified as neither development properties nor operational/management properties. Project properties and development properties as well as ongoing projects in JM International constitute current assets from an accounting perspective and are valued in accordance with IAS 2 Inventory, which means they are reported at the lowest of cost and net realizable value (see more under "Impairment Losses" below). The cost of JM's project properties and work in progress include both direct costs and a reasonable share of indirect costs. Interest rate expenses for production of project properties and work in progress are included as a part of cost (see more under "Borrowing Costs" below).

Project and development properties are usually recognized as assets from the time the parties enter into a binding acquisition agreement.

BORROWING COSTS

Borrowing costs are included in the consolidated accounts in cost of buildings in progress (project properties) and work in progress (JM International). Interest expenses are included in the cost until the time that the building is complete. If special borrowing arrangements were made for the project, actual average borrowing cost is used. In other cases, borrowing cost is calculated based on the Group's actual average borrowing cost.

Interest rate expenses for project financing of residential projects are included under the project's other production costs.

IMPAIRMENT LOSSES

If there is any indication of impairment of the value of property, plant and equipment or an intangible asset on the balance sheet date, a calculation is performed of the recoverable amount of the asset. The recoverable amount is the greater of net realizable value and value in use. If the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized to the asset's recoverable amount. With the exception of goodwill, an impairment loss is reversed when the basis for the impairment, wholly or partly, no longer exists.

The term impairment loss is also used in conjunction with revaluation of properties reported as current assets. Valuation of these properties is performed item by item (property by property) according to the lowest value principle; i.e. the lower of cost and net realizable value.

Net realizable value is the estimated sales price in the ordinary course of business, less estimated costs for completion and executing a sale.

Potential impairment of development properties is tested based on JM's annual market valuation, or if there is any indication of impairment, and where necessary, supplemented with internal project assessments that contain assumptions about the project's anticipated income and expenses. The future cash flow of the project is discounted by a discount rate. Projects (development properties) having a discounted present value lower than their carrying amount, are subject to impairment.

See also "Goodwill" above.

LEASES

The new standard IFRS 16 entered into force on 1/1/2019. This standard replaced IAS 17 Leases and all related interpretation. Under the new standard, all significant leases are reported as assets (rights-of-use) and liabilities, with the exception of contracts that are shorter than 12 months or of low value. The leases consist primarily of properties in which JM conducts its operations, the rental of vehicles used in operations, and the rental of land (so-called site leasehold rights).

The asset and the liability are initially recognized at the present value of the discounted present value of the future lease payments. Any variable fees are not considered in the lease payments if they are not based on an index or interest rate. The latter are considered at the time they enter into force. The interest rate applied to the present value calculation is the implicit rate in the contract. If it is not known, the marginal borrowing rate is used.

JM has used the simplified transition approach, which means that identified leases will not be restated retroactively. This means that comparative figures for periods prior to 2019 will not be affected. Opening balances for

rights-of-use and liabilities have been established based on identification of existing agreements and current interest rates as at 12/31/2018.

The standard entails that JM reports depreciation (linear) and interest rates related to leases in the income statement, which also subsequently means that lease expenses attributable to Production and operating costs (cars, site leasehold fees) are moved to Selling and administrative expenses (cars) and Interest expenses (site leasehold fees). In the cash flow, payments are split into interest and amortization.

In the balance sheet, the assets are distributed between rights-of-use, while the liabilities are broken down into long-term and short-term. Current liabilities are the liabilities that at the end of the period have a remaining maturity of less than 12 months.

The value of the rights-of-use for offices and vehicles is calculated using the present value method over the term of the contract, with deductions for linear depreciation. The liability is also calculated in accordance with the present value method and is reported net after deductions for paid amortization. The value of site leasehold rights is calculated up to the date when the payment obligation is expected to transfer to the customer. In the cases where JM acquired a site leasehold right without having agreed on a date the transfer to the customer, the value of the site leasehold right is calculated for infinity. Rights-of-use for site leasehold rights are not subject to depreciation and the debt is not amortized. All present value calculations are based on regular rental costs, the number of periods, and agreed/decided interest rates. Site leasehold fees are reported as an interest rate expense in the income statement.

According to active contracts, JM is entitled to end prematurely or extend rental periods for offices and cars and to sell acquired site leasehold rights. Changes in the contract give rise to changes in the measurement of assets/liabilities and variation in reported earnings from quarter to quarter.

IFRS 16 is not applied in the segment reporting.

EMPLOYEE BENEFITS/PENSIONS

A distinction is made between defined-contribution pension plans and defined-benefit pension plans relating to post-employment benefits.

Defined-contribution pension plans are defined as plans where the company pays contractual, fixed fees (premiums) to a separate legal entity and does not have any obligation to pay additional fees. Other pension plans are defined-benefit. Obligations and costs relating to defined-benefit pension plans are calculated according to the Projected Unit Credit Method. The intention is that anticipated future pension payments should be expensed evenly over the employee's period of service. The calculation is based on a number of actuarial assumptions, including expected future wage increases, staff turnover, expected inflation and mortality. The present value of the obligations is discounted primarily based on a market return on first-class corporate bonds on the reporting date. In Sweden, the market return on mortgage bonds is used and a premium for a longer maturity is added based on the duration of the pension obligations.

Independent actuaries conduct annual calculations relating to the defined-benefit plans found at JM. Costs for service during the current or earlier periods and gains and losses from any settlements of pension plans are reported in profit/loss for the period. The effects of deviations in actuarial assumptions are reported under Other comprehensive income.

Taxes payable on pension costs, in JM's case the Swedish payroll tax on pension costs, are taken into account as the difference between a pension commitment calculated according to definition above and the pension commitment calculated in accordance with the Swedish Safeguarding of Pension Commitments Act. In the balance sheet, special payroll tax is reported under Other non-current provisions.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognized in the balance sheet when the instrument's contractual terms flow to the company. A financial asset should be removed from the balance sheet when the rights specified in the contract are either realized or past due. The same applies for parts of a financial asset. A financial liability is removed from the balance sheet when the obligation in the contract has been discharged or in some other way extinguished. Assets and liabilities are reported net when there is a legally enforceable right to offset and there is a right and intention to settle on a net basis.

Classification

JM's financial assets are usually classified in the following measurement categories:

- those measured at amortized cost, which normally applies to JM's assets
- those measured at fair value (normally via the income statement, which applies to the derivatives that JM may occasionally enter into).

JM's financial liabilities are usually classified in the following measurement categories:

- those measured at amortized cost, which normally applies to JM's assets
- those measured at fair value (normally via the income statement, which applies to the derivatives that JM may occasionally enter into).

Impairment loss

JM estimates the expected credit losses from financial assets and contractual assets that are reported at amortized cost and reports loss risk reserves for loss events that may occur within 12 months. If the credit risk of an asset has increased significantly since it was initially reported, a loss risk reserve is reported for the entire life of the asset. A loss risk reserve is always reported for the entire life of the asset for accounts receivable and contract assets with and without significant financing arrangements.

Hedge accounting

JM does not apply hedge accounting.

CONVERTIBLE DEBENTURES

Convertible debentures are reported as a compound financial instrument comprising a liability component and an equity component. The fair value of the liability at issuance is calculated by discounting future cash flows using the current market interest rate for an equivalent liability. The value of the equity instrument is calculated as the difference between the issue proceeds and the fair value of the financial liability. The equity instrument comprises an embedded option to convert the liability into shares.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are reported when JM has a commitment as a result of events that have occurred, where it is likely that payments will be required in order to meet the commitment, and it is possible to reliably estimate the amount that will be paid. Estimated future expenditure for warranty commitments are reported as provisions. Most of JM's contracts with customers, in terms of both project development of residential units and contracting agreements in JM Construction, contain provisions for warranty commitments to rectify faults and deficiencies within a set period of time (in some cases up to ten years) after the completion of the project. The warranty commitments may also be stipulated by law or in some other way. This calculation is normally based on the estimated costs for the project concerned or for a group of similar projects, calculated according to a ratio that has historically provided a reliable estimate of these costs. The ratio can be, for example, a proportion of revenue or estimated cost per completed residential unit. The size of the warranty provision is tested regularly during the warranty period and adjusted when necessary. In the event of damages, and JM can estimate the size of the expense and the time of the rectification with reasonable assurance, the commitment can be classified as an accrued expense.

Contingent liabilities are possible commitments originating from events that have occurred and whose existence will be confirmed only by the occurrence or lack thereof of one or more uncertain future events, which are not completely in the company's control. Obligations that originate from events that have occurred, but that are not recognized as liabilities or provisions, because it is not probable that an outflow of resources will be required to settle the obligation and/or because the size of the obligations cannot be reliably estimated, are also recognized as contingent liabilities.

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. The analysis has been adapted to JM's operations. Since the buying and selling of project and development properties within the framework of JM's development business are included in JM's ongoing operations, these

are reported under the corresponding sections of the analysis. Payment on account for development properties refers, for example, to payment received for the part of the cost of a residential project that constitutes development property (land).

Buying and selling of plant, property and equipment are reported under "Investing activities, other". Cash and cash equivalents include cash and bank balances as well as current financial investments that mature less than three months from the due date and are in part traded on the open market at known amounts and in part associated with only marginal risk for value fluctuations. Taxes and interest paid for the year are reported in full under operating activities.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company's accounting policies deviate from the Group's policies as follows: Defined-benefit pension plans are reported in accordance with the provisions of the Swedish Safeguarding of Pension Commitments Act. Untaxed reserves are reported in full, i.e. they are not broken down into equity and deferred tax. Participations in subsidiaries, associated companies and joint ventures are recognized at cost of acquisition less any impairment losses. Financial instruments reported in the consolidated financial statements at fair value are reported in the Parent Company using the lowest value principle. In the Parent Company, mergers of wholly owned Group companies are reported according to the consolidated value method. Group contributions both paid and received are reported as appropriations.

note 2 Segment information

The JM Group's business is managed and reported per business segment in accordance with the following:

- The JM Residential Stockholm business segment develops residential projects in Greater Stockholm
- The JM Residential Sweden business segment develops residential projects in growth areas in Sweden, excluding Greater Stockholm
- The JM International business segment develops residential projects in Norway and Finland
- The JM Property Development business segment primarily develops rental units, residential care units and commercial properties in Greater Stockholm
- The JM Construction business segment carries out construction work for external and internal customers in the Greater Stockholm area.

No segments have been aggregated to form the above reportable business segments.

Identification of reportable segments is based on internal reporting to the chief operating decision maker, which in the JM Group is the President of the Parent Company (who is also the CEO). The reporting format for segment reporting is based on geographical segment and business concept.

The chief operating decision-maker primarily uses the business segments' income, operating profit and operating margin, as well as operating capital and operational cash flow, as a basis for resource allocation and assessment of the segment's profit or loss. The performance of the business segments is assessed and evaluated based on the indicators mentioned above.

Financial expenses, financial income and income tax are mainly handled at the Group level and not allocated to the segments.

Transactions between business segments are based on market conditions.

CONSOLIDATED INCOME STATEMENT BY BUSINESS SEGMENT

Group 2020	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	Other and elimination	Total according to segment reporting	Restatement JM International ²⁾	Reclassification property sale ³⁾	Leases IFRS 16	Total Group, IFRS
Revenue – external	6,358	4,193	3,747	169	921	–	15,388	–137	1,040	–	16,291
Revenue – internal	–	–	–	–	332	–332	–	–	–	–	–
Total revenue	6,358	4,193	3,747	169	1,253	–332	15,388	–137	1,040	–	16,291
Production and operating costs ¹⁾	–5,063	–3,277	–3,282	–132	–1,185	332	–12,607	100	–870	40	–13,337
Gross profit	1,295	916	465	37	68	–	2,781	–37	170	40	2,954
Selling and administrative expenses ¹⁾	–369	–259	–188	–33	–55	–40	–944	–	–	–13	–957
Gains/losses on the sale of property, etc. ²⁾	–	–	–1	174	18	–	191	–	–170	–	21
Operating profit	926	657	276	178	31	–40	2,028	–37	–	27	2,018
Financial income and expenses	–	–	–	–	–	–73	–73	–	–	–28	–101
Profit/loss before tax						–113	1,955	–37	–	–1	1,917
Taxes	–	–	–	–	–	–380	–380	2	–	0	–378
Profit for the year						–494	1,575	–35	–	–1	1,539
Operating margin, %	14.6	15.7	7.4	–	2.5	–	13.2	–	–	–	–
¹⁾ Of which depreciation of machinery and equipment and rights-of-use	–	–	–4	–	–	–3	–7	–	–	–98	–105
²⁾ Of which income from joint venture	–	–	–	4	–	–	4	–	–	–	4

Group 2019

Revenue – external	5,575	4,468	4,021	227	1,401	–	15,692	–816	729	–	15,605
Revenue – internal	–	–	–	–	290	–290	–	–	–	–	–
Total revenue	5,575	4,468	4,021	227	1,691	–290	15,692	–816	729	–	15,605
Production and operating costs ¹⁾	–4,293	–3,509	–3,501	–168	–1,813	290	–12,994	773	–559	30	–12,750
Gross profit	1,282	959	520	59	–122	–	2,698	–43	170	30	2,855
Selling and administrative expenses ¹⁾	–366	–240	–203	–35	–87	–35	–966	–	–	–13	–979
Gains/losses on the sale of property, etc.	0	–	38	170	68	–	276	–	–170	–	106
Operating profit	916	719	355	194	–141	–35	2,008	–43	–	17	1,982
Financial income and expenses	–	–	–	–	–	–80	–80	–	–	–20	–100
Profit/loss before tax						–115	1,928	–43	–	–3	1,882
Taxes	–	–	–	–	–	–358	–358	1	–	1	–356
Profit for the year						–473	1,570	–42	–	–2	1,526
Operating margin, %	16.4	16.1	8.8	–	–8.3	–	12.8	–	–	–	–
¹⁾ Of which depreciation of machinery and equipment	–	–	–4	–	–1	–4	–9	–	–	–	–9
²⁾ Effect of restatement on revenue and profit and loss according to the completed contract method (IFRS) in relation to segment reporting.											
³⁾ Reclassification of gains/loss on sale of property (project properties) to income and expenses according to IFRS in relation to segment reporting.											

REVENUE

Revenue by country (segment reporting)	Sweden		Norway		Finland	Belgium	Total
2020		11,641		2,716	1,031	0	15,388
2019		11,451		3,407	832	2	15,692
Revenue 2020	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	JM Eliminations	Total Group
Revenue according to IFRS	6,358	4,193	3,610	1,209	1,253	–332	16,291
Revenue (segment reporting)	6,358	4,193	3,747	169	1,253	–332	15,388
Revenue 2019							
Revenue according to IFRS	5,575	4,468	3,205	956	1,691	–290	15,605
Revenue (segment reporting)	5,575	4,468	4,021	227	1,691	–290	15,692
Point in time for revenue recognition (IFRS)							
Over time	•	•			•	•	
At a specific point in time			•		•		

Revenue in JM Residential Stockholm, JM Residential Sweden and JM Construction are reported over time (gradually), which is reflected when the customer payments are made. They normally occur in the form of advance payment during the term of the agreement. JM International's revenue is reported at a specific point in time (at completion), which normally also coincides with the point in time for the primary payment from the customer.

On December 31, 2020, JM had entered into customer agreements where the performance commitment of approximately SEK 17bn had not yet been met. JM expects these performance commitments to be materially met, and revenue is thus recognized primarily in 2021 and 2022 with a smaller portion in 2023. Corresponding amount for the previous year was SEK 19bn for the period 2020–2022.

CONSOLIDATED OPERATING CASH FLOW BY BUSINESS SEGMENT	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	Other and elimination	Total according to segment reporting	Reclassification, project financing ¹⁾	Leases IFRS 16	Total Group, IFRS
Group 2020										
From operating activities	1,064	512	326	284	-65	-406	1,715	-2,523	98	-710
From investing activities	-	-	-	-	-	-79	-79	-	-	-79
From financing activities	-	-	-	-	-	-988	-988	2,523	-98	1,437
Total cash flow for the year	1,064	512	326	284	-65	-1,473	648	0	0	648
Cash and cash equivalents, December 31							3,037			3,037

Group 2019										
From operating activities	1,118	557	-439	454	54	-453	1,291	-2,797	103	-1,403
From investing activities	-	-	-	-	-	-7	-7	-	-	-7
From financing activities	-	-	-	-	-	-576	-576	2,797	-103	2,118
Total cash flow for the year	1,118	557	-439	454	54	-1,036	708	0	0	708
Cash and cash equivalents, December 31							2,397			2,397

CONSOLIDATED BALANCE SHEET BY BUSINESS SEGMENT

Group 12/31/2020	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	Unallocated items, Group ^{2) 3)}	Total according to segment reporting	Reclassification project financing ¹⁾	Restatement JM International ⁴⁾	Leases IFRS 16	Total, Group, according to IFRS
ASSETS											
Non-current assets	-	-	78	168	-	32	278	-	-	157	435
Project properties	-	-	33	1,213	-	-	1,246	-	-	-	1,246
Development properties	4,246	1,451	2,108	10	16	-	7,831	-	-	-	7,831
Rights-of-use site leasehold rights	-	-	-	-	-	-	-	-	-	558	558
Participations in tenant-owners associations, etc.	265	102	78	-	-	-	445	-	-	-	445
Work in progress	-	-	-	-	-	-	-	2,913	663	-	3,577
Current receivables	1,080	633	1,178	25	524	388	3,828	3,064	-933	-	5,959
Cash and cash equivalents	-	-	-	-	-	3,037	3,037	-	-	-	3,037
Total current assets	5,591	2,186	3,397	1,248	540	3,425	16,387	5,978	-270	558	22,653
TOTAL ASSETS	5,591	2,186	3,475	1,416	540	3,457	16,665	5,978	-270	715	23,088
EQUITY AND LIABILITIES											
Shareholders' equity	-	-	-	-	-	7,817	7,817	-	-218	-2	7,598
Non-current liabilities	-	-	-	-	-	4,016	4,016	159	-34	667	4,807
Current liabilities	636	864	307	25	399	2,601	4,832	5,819	-18	50	10,683
TOTAL EQUITY AND LIABILITIES	636	864	307	25	399	14,434	16,665	5,978	-270	715	23,088
Total operating capital by business segment	4,955	1,322	3,168	1,223	141	-	-	-	-	-	-
Investment in machinery and equipment	-	-	-	-	-	2	2	-	-	-	2
Group 12/31/2019											
ASSETS											
Non-current assets	-	-	186	-	-	33	219	-	-	200	419
Project properties	-	-	5	1,394	-	-	1,399	-	-	-	1,399
Development properties	4,949	1,461	2,497	10	21	-	8,938	-	-	-	8,938
Rights-of-use site leasehold rights	-	-	-	-	-	-	-	-	-	650	650
Participations in tenant-owners associations, etc.	133	129	104	-	-	-	366	-	-	-	366
Work in progress	-	-	-	-	-	-	-	3,093	688	-	3,781
Current receivables	1,197	899	1,207	10	575	386	4,274	1,693	-945	-	5,022
Cash and cash equivalents	-	-	-	-	-	2,397	2,397	-	-	-	2,397
Total current assets	6,279	2,489	3,813	1,414	596	2,783	17,374	4,786	-257	650	22,553
TOTAL ASSETS	6,279	2,489	3,999	1,414	596	2,816	17,593	4,786	-257	850	22,972
EQUITY AND LIABILITIES											
Shareholders' equity	-	-	-	-	-	7,326	7,326	-	-198	-2	7,126
Non-current liabilities	-	-	-	-	-	4,413	4,413	112	-36	822	5,311
Current liabilities	723	1,335	350	23	537	2,886	5,854	4,674	-23	30	10,535
TOTAL EQUITY AND LIABILITIES	723	1,335	350	23	537	14,625	17,593	4,786	-257	850	22,972
Total operating capital by business segment	5,556	1,154	3,649	1,391	59	-	-	-	-	-	-
Investment in machinery and equipment	-	-	-	-	-	4	4	-	-	-	4

¹⁾ Reclassification of project financing within JM Residential Stockholm, JM Residential Sweden and JM International according to IFRS in relation to segment reporting.

²⁾ The assets and liabilities and equity that are not included in JM's definition of operating capital are not allocated by business segment.

³⁾ Property, plant and equipment are not included in JM's definition of operating capital and these investments are therefore reported as an unallocated item.

⁴⁾ Effect of restatement of current projects according to the completed contract method (IFRS) in relation to segment reporting.

note 3 Employees and personnel costs

Average number of employees, by country	2020	Of which men, %	2019	Of which men, %
Sweden	2,057	76	2,053	78
Norway	417	73	449	76
Finland	126	60	96	60
Total	2,600	75	2,598	77

Wages, salaries, other remuneration and social security expenses	2020			2019		
	Wages, salaries and remunerations	Social security expenses	Total	Wages, salaries and remunerations	Social security expenses	Total
Group (of which pension costs)	1,474	724 (264)	2,198	1,516	742 (261)	2,258

Wages, salaries and other remuneration by country and distribution between the Board and President and other employees	2020			2019		
	Board of Directors and President	Other employees	Total	Board of Directors and President	Other employees	Total
Sweden	15	1,110	1,125	15	1,132	1,147
(of which variable remuneration)	(2)	(45)	(47)	(2)	(45)	(47)
Norway	4	261	265	4	308	312
(of which variable remuneration)	(1)	(17)	(18)	(1)	(19)	(20)
Finland	5	79	84	3	54	57
(of which variable remuneration)	(3)	(6)	(9)	(1)	(3)	(4)
Total, Group (of which variable remuneration)	24 (6)	1,450 (68)	1,474 (74)	22 (4)	1,494 (69)	1,516 (73)

Remuneration to the Board of Directors

JM's Board of Directors consists of seven members elected by the Annual General Meeting. SEK 1,000,000 (950,000) was paid to the Chair of the Board of Directors for Board and Committee fees. The other AGM-elected Board members were paid SEK 2,778,000 (2,620,000). The employee organizations appointed two members and two deputies. No fees are paid to these members.

Compensation to the President and Executive Management

Remuneration to the President and other members of Executive Management comprises basic salary, variable remuneration, other benefits and pension provisions. Compensation to the President is drafted by the Compensation Committee and adopted by the Board. Remuneration for other members of Executive Management is decided by the Compensation Committee. Remuneration to the President and other members of Executive Management is based on the Annual General Meeting resolution on guidelines for salaries and other remuneration to senior executives. The combined remuneration must be competitive in the labor market in which the executive is active.

The short-term variable remuneration for the President for the 2020 financial year is built as follows: 60 percent on the financial result for the Group, 30 percent on earnings per share and 10 percent on JM's Customer Satisfaction Index (CSI). The short-term variable remuneration for the President for 2021 may amount to a maximum of SEK 2,875,000. The outcome of the short-term variable remuneration for the 2020 financial year is SEK 2,708,000 (1,268,000) to be paid during the spring of 2021.

Short-term variable remuneration for other members of Executive Management is based, depending on position, on the financial performance of the Group and the business units, earnings per share and the CSI. Short-term variable remuneration varies between three and five monthly salaries, depending on position. The short-term variable remuneration for other members of Executive Management for 2021 may amount to a maximum of SEK 6.8m. The outcome of the short-term variable remuneration for other members of Executive Management for the 2020 financial year totals SEK 4.0m (2.4), to be paid during the spring of 2021.

In addition, long-term variable salary programs have been offered to Executive Management (including the President).

The long-term variable salary program launched in 2017 amounted to a maximum of 42 percent of fixed salary and was based on the Group's financial performance in 2019. The outcome was 24 percent of the maximum possible amount, and payment was made in the spring of 2020 totaling SEK 663,000 for the President and SEK 1.4m for the other members of Executive Management.

The long-term variable salary program launched in 2018 amounts to a maximum of 42 percent of fixed salary and is based on the Group's financial performance in 2020. Payment will be made in the spring of 2021 and amounts to SEK 928,000 to the President and SEK 2.1m to the other members of Executive Management.

The long-term variable salary program launched in 2019 amounts to a maximum of 42 percent of fixed salary and is based on the Group's financial performance in 2021. Eventual payment will be made in the spring of 2022, amounting to a maximum of SEK 2,671,000 to the President and SEK 5.0m to the other members of Executive Management.

The long-term variable salary program launched in 2020 amounts to a maximum of 42 percent of fixed salary and is based on the Group's financial performance in 2022. Eventual payment will be made in the spring of 2023, amounting to a maximum of SEK 2,797,000 to the President and SEK 6.3m to the other members of Executive Management.

Pensions

The President is entitled to an annual premium provision of 35 percent of basic salary. In addition, the Company pays for part of the President's health insurance premiums, with a salary ceiling of 50 times the income base amount. The Company has also pledged, as a possible supplement, to pay survivor's pension to the extent that survivor's pensions do not total 50 percent of basic salary. The Company would pay this supplement until such time that the President would have reached the age of 65. The outstanding pension obligations to the President amount to SEK 1,641,000 (1,603,000).

The members of Executive Management, excluding the President, are covered by the ITP plan and, within its framework, by the company's offer of an alternative ITP plan and even an enhanced ITP plan. Executive Management is also covered by a premium-based supplementary plan with an annual premium provision of SEK 50,000–210,000. The pension age is 65, with the exception of one older

agreement where a member of Executive Management is entitled to retire at the age of 60 with 70 percent of the basic salary until the day on which the person turns 65. The person in question and the company have agreed to postpone the withdrawal one year. Outstanding pension obligations to other members of Executive Management amount to SEK 25.8m (37.4).

Notice periods/Severance pay

The period of notice for the President is 12 months in the event of termination by the Company. If no other employment has been secured by the end of the notice period, remuneration shall be paid for an additional twelve months. In the event of termination by the

President, the notice period is six months. No additional remuneration will be paid after the six months.

For the other members of Executive Management, the following applies: A number of members are covered by the Employment Protection Act.

All members have, where relevant within the framework of the Employment Protection Act, six to twelve months' termination period if the termination is initiated by JM and six to twelve months' termination period if the termination is initiated by the member. In addition, two members are entitled to six months' severance pay and one member is entitled to twelve months' severance pay if the termination is initiated by the company.

Summary of basic and variable remuneration and pensions to the Board and Executive Management in 2020 and 2019.

SEK 000s	2020					Total	2019					Total
	Basic salary/ Board fees ²⁾	Short-term variable remuneration ³⁾	Long-term variable remuneration ⁴⁾	Other benefits	Pension expense		Basic salary/ Board fees ²⁾	Short-term variable remuneration ³⁾	Long-term variable remuneration ⁴⁾	Other benefits	Pension expense	
<i>Chair of the Board¹⁾</i>												
Fredrik Persson	1,000	–	–	–	–	1,000	950	–	–	–	–	950
<i>Other Board members¹⁾</i>												
Kaj-Gustaf Bergh	400	–	–	–	–	400	398	–	–	–	–	398
Kerstin Gillsbro	410	–	–	–	–	410	205	–	–	–	–	205
Camilla Krogh	168	–	–	–	–	168	415	–	–	–	–	415
Olav Line	435	–	–	–	–	435	465	–	–	–	–	465
Eva Nygren	475	–	–	–	–	475	212	–	–	–	–	212
Thomas Thuresson	460	–	–	–	–	460	458	–	–	–	–	458
Annica Ånäs	430	–	–	–	–	430	252	–	–	–	–	252
President	6,791	1,268	663	140	2,330	11,192	215	–	–	–	–	215
Other Executive Management ⁵⁾	20,515 ⁶⁾	2,418	1,400	675	9,274	34,282	6,369	200	1,834	95	2,266	10,764
Total	31,084	3,686	2,063	815	11,604	49,252	29,950	1,920	6,189	738	10,529	49,326

¹⁾ The amounts refer to fees paid including committee work. The fee is paid on a semi-annual basis in arrears.

²⁾ The amounts presented in the table do not include the change in the vacation pay liability. At the end of the year, the vacation pay liability for the President amounted to SEK 1,361,000 and in aggregate for the other members of Executive Management to SEK 5,124,000.

³⁾ The short-term variable remuneration reported in the table refers to amounts paid in 2020. All payments in 2020 are attributable to the 2019 financial year. Amounts attributable to 2020 are presented on page 96 and will be paid in 2021.

⁴⁾ The long-term variable remuneration reported in the table refers to amounts paid in 2020. All payments in 2020 are attributable to the 2017–2019 financial years. Amounts attributable to 2018–2020 are presented on page 96 and will be paid in 2021. Page 96 also contains information about the programs for the financial years 2019–2021 and 2020–2022.

⁵⁾ JM's Executive Management, excluding the President, comprised a total of nine people, six men and three women.

⁶⁾ The amount includes fees for a member of Executive Management hired as a consultant during part of the year. The fees include amounts that should cover the consultant's payroll expenses.

¹⁾ The amounts refer to fees paid including committee work. The fee is paid on a semi-annual basis in arrears.

²⁾ The amounts presented in the table do not include the change in the vacation pay liability. At the end of the year, the vacation pay liability for the President amounted to SEK 915,000 and in aggregate for the other members of Executive Management to SEK 3,999,000.

³⁾ The short-term variable remuneration reported in the table refers to amounts paid in 2019. All payments in 2019 are attributable to the 2018 financial year. Amounts attributable to 2019 are presented on page 96 and will be paid in 2020.

⁴⁾ The long-term variable remuneration reported in the table refers to amounts paid in 2019. All payments in 2019 are attributable to the 2016–2018 financial years. Amounts attributable to 2017–2019 are presented on page 96 and will be paid in 2020. Page 96 also contains information about the programs for the financial years 2019–2021 and 2020–2022.

⁵⁾ JM's Executive Management, excluding the President, comprised a total of nine people, six men and three women.

⁶⁾ The amount includes fees for a member of Executive Management hired as a consultant. The fees include amounts that should cover the consultant's payroll expenses.

Convertible debentures for personnel

The 2020 Annual General Meeting resolved to offer all employees in JM in Sweden a convertible subordinated debenture. The purpose of the issue of personnel convertibles is to boost long-term financial commitment to JM on the part of employees via increased motivation and reinforced loyalty to the Group. A total of 157,067 convertible bonds were issued for a nominal amount of around SEK 34m. The loan matures on May 27, 2024, and entitles the holders to sub-

scribe to one JM share for each debt obligation for SEK 217 during a special conversion window. Employees paid the market price for the convertibles received and the program is not subject to any terms concerning continued employment or performance on the part of employees. They were offered external bank financing for the convertible debentures without any guarantees or undertakings on the part of JM.

Year	Number of convertibles	Number of redeemed convertibles	Number of convertibles due	Total	Strike price	Conversion Period
2016	77,724	–	77,724	0	289	6/1/2019–5/18/2020
2017	35,520	–	–	35,520	409	6/1/2020–5/18/2021
2018	195,930	–	–	195,930	229	6/1/2021–5/18/2022
2019	153,778	–	–	153,778	212	6/1/2022–4/21/2023
2020	157,067	–	–	157,067	217	6/1/2023–4/24/2024

note 4 Depreciation according to plan

	2020	2019
Machinery and equipment	-7	-9
Total	-7	-9

The following depreciation rates are applied:
 Construction machinery 10 percent.
 Computers and other equipment 20–33 percent.
 Depreciation rights-of-use see Note 13.

note 5 Fees and remuneration to auditors

PwC	2020	2019
Auditing services ¹⁾	5.5	4.7
Tax services	0.1	0.1
Other services ²⁾	2.4	1.4
Total	8.0	6.2

¹⁾ Auditing services include audits in addition to the assignment regarding review of interim report of SEK 0.2m (0.2).

²⁾ Of these services, SEK 2.3m were provided by PricewaterhouseCoopers AB, of which SEK 0.1m pertains to statutory add-on services. This includes, for example, consulting services and financial reporting.

note 6 Operating costs by cost type

IFRS	2020	2019
Production costs	11,841	11,197
Personnel costs	2,198	2,258
Depreciation and amortization ¹⁾	105	114
Other operating costs (operating expenses)	150	160
Total	14,294	13,729

¹⁾ Effects of new IFRS 16, Leases SEK 98m (105).

note 7 Gains/losses on the sale of property, etc.

	IFRS		Segment reporting	
	2020	2019	2020	2019
Sales values				
Project properties	–	–	1,040	729
Development properties	38	194	38	194
Total	38	194	1,078	923
Carrying amounts				
Project properties	–	–	-870	-559
Development properties	-21	-88	-21	-88
Total	-21	-88	-891	-647
Results				
Project properties	–	–	170	170
Development properties	17	106	17	106
Total	17	106	187	276
Profit/loss from joint venture				
Profit/loss from joint venture	4	–	4	–
Total	21	106	191	276

note 8 Financial income and expenses

	Financial income	
	2020	2019
Interest income	5	5
Change in value revaluation of debt receivables and liabilities	1	1
Total	6	6

IFRS	Financial expenses	
	2020	2019
Interest expenses attributable to loans, etc.	-53	-51
Interest expenses, leasing	-28	-20
Interest portion in this year's pension costs	-26	-35
Total	-107	-106

Segment reporting	Financial expenses	
	2020	2019
Interest expenses attributable to loans, etc.	-53	-51
Interest portion in this year's pension costs	-26	-35
Total	-79	-86

note 9 Taxes

IFRS	2020	2019
<i>Profit/loss before tax</i>		
Sweden	1,704	1,597
International	213	285
Total	1,917	1,882
<i>Current tax</i>		
Sweden	-370	-339
International	-46	-47
Total	-416	-386
<i>Deferred tax</i>		
Sweden	32	37
International	6	-7
Total	38	30
<i>Total tax</i>		
Sweden	-337	-302
International	-40	-54
Total	-377	-356

Difference between reported tax and nominal tax rate (21.4 %)

	2020	2019
Profit before tax x 21.4 %	-410	-403
Adjustment of tax from previous years	-1	3
Difference foreign tax	0	-1
Non-taxable revenue	36	49
Non-deductible expenses	-1	-3
Tax allocation reserve	-5	-4
Revaluation of deferred tax attributable to reduced income tax in Sweden 2021	-2	–
Revaluation deferred tax	5	3
Total	-378	-356

Non-taxable revenue in 2020 and 2019 consists primarily of the sales of completed rental properties in Stockholm and the sale of the Norwegian subsidiaries JM Entreprenör AS in 2019.

The effective tax rate according to IFRS is 19.7 percent (18.9). The effective tax rate according to segment reporting is 19.4 percent (18.8). The difference between the effective tax rate according to segment reporting and the nominal tax rate of 21.4 percent is primarily explained by the table above.

note 10 Earnings and dividend per share

	Basic		Diluted	
	2020	2019	2020	2019
Earnings per share, SEK	22.10	21.90	22.00	21.90

Earnings per share was calculated as net profit for the year divided by the weighted average number of outstanding shares during the year.

Basic earnings per share

The calculation of basic earnings per share before dilution for 2020 was based on the net profit for the year of SEK 1,539m (1,526) and on a weighted average of the number of outstanding ordinary shares during 2020 amounting to 69,583,262 (69,583,262).

	2020	2019
Number of shares		
Total number of outstanding shares, January 1	69,583,262	69,583,262
Weighted average number of shares during the year, basic	69,583,262	69,583,262

Diluted earnings per share

The calculation of diluted earnings per share for 2020 was based on the net profit for the year, adjusted for the interest expense for convertible debentures after tax of SEK 1,543m (1,529), and on a weighted average of the number of outstanding ordinary shares adjusted for dilution effects of all outstanding potential ordinary shares in 2020 totaling 70,061,421 (69,985,557). Profit for the year is attributable in its entirety to Parent Company shareholders.

	2020	2019
Profit for the year		
Profit for the year attributable to shareholders of the Parent Company	1,539	1,526
Adjustment of interest on convertible debentures (after tax)	4	3
Profit for the year attributable to shareholders of the Parent Company, diluted	1,543	1,529

	2020	2019
Number of shares		
Weighted average number of shares during the year, basic	69,583,262	69,583,262
Estimated number of potential shares for the convertible debenture program	478,159	402,295
Weighted average of the number of shares during the year, diluted	70,061,421	69,985,557

Outstanding number of shares and instruments with potential dilutive effects

At the end of 2020 JM had 69,583,262 outstanding shares (69,583,262). JM holds a total of 0 repurchased shares (0).

Instruments that may have a potentially dilutive effect in 2020 include JM's four convertible programs (2017, 2018, 2019 and 2020), where dilution may occur during the years 2021–2024.

When calculating earnings per share, JM's convertible programs dilute the number of shares. However, the effect is limited. For the 2017 convertible program, the conversion rate is SEK 409, for the 2018 program, SEK 229, for the 2019 program, SEK 212, and for the 2020 program, SEK 217.

For more information about JM's convertible debenture program, see Note 1, Accounting and valuation principles, and Note 3, Employees and personnel costs.

	2020	2019
Cash dividend (proposed by the Board for 2020)		
– per share, SEK	12.75	12.50
– total, SEK m	887	870

Differences between IFRS and segment reporting occur in the following items:

	Basic		Diluted	
	2020	2019	2020	2019
Segment reporting				
Earnings per share, SEK	22.60	22.60	22.50	22.50
Profit for the year	1,575	1,569	1,579	1,573

note 11 Goodwill

	2020	2019
<i>Accumulated acquisition value</i>		
Opening balance, January 1	186	180
Translation differences	-18	6
On December 31	168	186

Reported goodwill refers to JM's operations in Norway.

Goodwill will be tested for impairment according to IAS 36. JM does this at least annually, or more often if there is any indication of a need for impairment.

On December 31, 2020, the carrying amount of the JM Norway Group was tested. The recoverable amount was found to exceed the carrying amount. Therefore, no impairment loss for goodwill was necessary.

The recoverable amount was determined by calculating the value in use of the cash-generating unit. Value in use for goodwill attributable to the JM Norway Group was calculated using discounted cash flows. Cash flow for the first two years, after 2020, is based on the strategic plan adopted by the management.

Cash flow beyond the strategic two-year period is extrapolated based on the following assumptions:

- Estimated operating profit or loss based on the previous year's results and expectations of future market developments on the housing market
- Growth rate of 2 percent (2) in order to extrapolate cash flow beyond the strategic period. The growth rate is a conservative assumption of the operation's long-term growth, not exceeding growth for the industry as a whole
- Discount rate before tax is 8 percent (8), which is based on the JM Group's average cost of capital before tax, while taking operation-specific data into account.

Sensitivity analysis

If the estimated operating profit after the end of the strategy period had been 5 percent lower than the management's assessment, the recoverable amount would decrease by 4 percent.

If the estimated growth rate used to extrapolate cash flows beyond the strategy period had been 50 percent lower than the basic assumption, the recoverable amount would decrease by 12 percent.

If the estimated average cost of capital applied for the discounted cash flow had been 3 percentage points greater than the basic assumption, the recoverable amount would decrease by 33 percent.

A sensitivity analysis of the discount rate shows that the discount rate would have to exceed about 23 percent (22) before the need for impairment would arise.

In all cases, the sensitivity analysis above shows a surplus (i.e. that the recoverable amount is higher than the carrying amount). None of the hypothetical cases above should lead to impairment of goodwill for the Norwegian business.

note 12 Machinery and equipment

	2020	2019
<i>Accumulated acquisition value</i>		
Opening balance, January 1	122	118
New purchases	2	4
Translation differences	-5	1
Sales	-	-1
On December 31	119	122
<i>Accumulated depreciation according to plan</i>		
Opening balance, January 1	-108	-99
Depreciation for the year	-7	-9
Translation differences	4	-1
Sales	-	1
On December 31	-111	-108
Closing residual value, at end of year	8	14

note 13 Rights-of-use

IFRS		
Rights-of-use	12/31/2020	12/31/2019
Offices	110	169
Cars	47	31
Site leasehold rights	558	650
On December 31	715	850

Additional rights-of-use in the 2020 financial year amounts to SEK 148m.

Depreciation rights-of-use	2020	2019
Offices	65	72
Cars	33	33
Total	98	105
Interest expenses (including financial expenses) for lease liabilities.	28	20
Costs for leases for short-term agreements and leases where the asset has a low value.	325	361

Total cash flow for leases in the 2020 financial year amounts to SEK 458m.

See Notes 23 and 24 regarding the lease's influence on liabilities.

note 14 Participations in joint venture

	2020	2019
Opening balance, January 1	1	1
New purchases	74	-
Profit/loss from joint venture	4	-
Reclassification	-1	-
On December 31¹⁾	78	1

¹⁾ At the end of 2020, ownership consists solely of the participations in the company JMJV Hyresbostäder Holding AB. JM's holding amounts to 20 percent. The company will own and manage rental housing units.

JMJV Hyresbostäder Holding AB (559269-4318)	12/10/2020
	-12/31/2020
Net sales	8
Operating expenses	-3
Change in value properties	208
Financial expenses	-1
Tax	-50
Profit for the period	162
	12/31/2020
Non-current assets ¹⁾	1,172
Current receivables	6
Cash and bank balances	21
Total assets	1,199
Shareholders' equity	389
Interest-bearing liabilities and provisions	790
Current liabilities	20
Total equity and liabilities	1,199

¹⁾ Refers to rental properties reported at market value.

note 15 Participations in joint operations

Specification of Parent Company's shares and participations in joint operations

Company	CIN	Domicile	Number of shares and participations	% of capital	Carrying amount, SEK 000's	
					2020	2019
Adolfsbergs Brunn AB ¹⁾	556303-8685	Örebro	–	–	–	34
Dockan Exploatering AB ¹⁾	556594-2645	Malmö	50,000	33	16,834	16,834
Exploateringsbolaget Högmora KB ^{1) 3)}	916643-6254	Stockholm	–	–	–	31
Fastighetsbolaget Glasberga KB ^{1) 3)}	916643-1842	Södertälje	–	–	–	101
Glasberga Fastighets AB ^{1) 3)}	556361-0707	Södertälje	–	–	–	100
HB Silverdal Exploatering ^{2) 3)}	969674-5802	Solna	–	–	–	1
Högmora Exploaterings AB ^{1) 3)}	556395-0707	Stockholm	–	–	–	100
Kvarnholmen Utveckling AB ¹⁾	556710-5514	Stockholm	50,000	50	165,886	165,886
Kvibergstaden Exploatering HB ^{1) 3)}	969731-1695	Gothenburg	–	–	–	1
Mälarstrandens Utvecklings AB ¹⁾	556695-5414	Västerås	44	44	2,200	2,200
Södra Centrum Krokslätt HB ¹⁾	969777-2144	Stockholm	5,200	65	5,200	5,200
Carrying amount, December 31					190,120	190,488

¹⁾ Joint operations

²⁾ Unlimited liability

³⁾ Reclassification

Specification of the Group's other holdings of shares and participations in joint operations

Company	CIN	Domicile	Number of shares and participations	% of capital	Carrying amount, SEK 000's	
					2020	2019
Fastighets AB Kranlyftet	556829-3251	Lidingö	250	50	135,226	135,226
Täby Park Exploatering AB	556833-6555	Stockholm	500	50	251,473	196,473
Grefsen Utvikling AS, Norway	982913209	Oslo	500	50	23,865	26,448
Hans Nielsen Haugesgate 50 AS, Norway	987719427	Oslo	60,000	50	10,606	26,404
Husebyplatået AS, Norway	913864948	Oslo	5,000	50	477	529
Larvik Saneringselskap AS, Norway	918044051	Larvik	100	50	231	256
Lillestrøm Kvartal 37 AS, Norway	935267269	Lillestrøm	75	50	7,160	7,934
Lillestrøm Kvartal 37 Næring AS, Norway ¹⁾	919196416	Oslo	–	–	–	32
Merbraine, Belgium	450160865	Brussels	625	50	311	323
Noreveien 26 AS, Norway	990351465	Oslo	10	50	84	93
Son Utvikling AS, Norway	990341419	Oslo	23,050	50	11,722	12,991
Torstvet Utvikling AS, Norway	959639159	Larvik	5,000	50	11,017	12,210
Carrying amount, December 31					452,172	418,919
Reclassification in the Group					–452,172	–418,236
The participations' carrying amount in the Group, at end of the year					–	683

¹⁾ Group companies that have been sold.

The joint operations contain primarily properties for residential development.

Participations in joint operations

The Group's financial statements include the following items that comprise the Group's holdings in the joint operations – the company's revenue, expenses, assets and liabilities. The amounts include intra-Group transactions.

	2020	2019
Revenue	359	573
Expenses	–289	–481
Profit for the period	70	92
Development properties ¹⁾	610	636
Other assets	554	761
Cash and cash equivalents	88	54
Total assets	1,252	1,451
Non-current liabilities	211	229
Current liabilities	154	340
Total liabilities	365	569
Net assets	887	882

¹⁾ Includes Group surplus values.

note 16 Financial assets

	2020	2019
<i>Accumulated acquisition value</i>		
Opening balance, January 1	18	14
Additional receivables	1	5
Settled receivables	-1	-2
Reclassification	0	-
Translation differences	-1	1
On December 31	17	18

Financial assets mainly relate to promissory notes.

note 17 Project properties and development properties

IFRS	Project properties		Development properties	
	2020	2019	2020	2019
<i>Accumulated acquisition value</i>				
Opening balance, January 1	1,399	1,635	8,961	8,338
New purchases	691	427	1,022	1,745
Reclassifications	27	-	-30	-
Translation differences	-1	1	-190	43
Transferred to production	-	-105	-1,900	-1,077
Sales	-870 ¹⁾	-559 ¹⁾	-21	-88
On December 31	1,246	1,399	7,842	8,961
<i>Accumulated impairment losses</i>				
Opening balance, January 1	-	-	-23	-32
Transferred to production	-	-	12	9
On December 31	-	-	-11	-23
Closing residual value, at end of year	1,246	1,399	7,831	8,938
Market value at end of the year	1,651	1,769	14,300	15,600

¹⁾ Sales for the year include three completed rental properties that according to IFRS are included in consolidated revenue and production and operating costs. In the segment reporting they are reported on separate lines in the income state as gains from the sale of property. See also Group Note 7.

Segment reporting	Project properties		Development properties	
	2020	2019	2020	2019
<i>Accumulated acquisition value</i>				
Opening balance, January 1	1,399	1,635	8,961	8,338
New purchases	691	427	1,022	1,745
Reclassifications	27	-	-30	-
Translation differences	-1	1	-190	43
Transferred to production	-	-105	-1,900	-1,077
Sales	-870	-559	-21	-88
On December 31	1,246	1,399	7,842	8,961
<i>Accumulated impairment losses</i>				
Opening balance, January 1	-	-	-23	-32
Transferred to production	-	-	12	9
On December 31	-	-	-11	-23
Closing residual value, at end of year	1,246	1,399	7,831	8,938
Market value at end of the year	1,651	1,769	14,300	15,600

Reported residual value for the part of project properties recognized at net realizable value amounts to SEK 0m (0) and for development properties SEK 78m (95).

The market value for all properties was determined in cooperation with an external appraisal company. The appraisals for development properties are based on the location, attractiveness, scope and type of building planned, the stage in the planning process, extraordinary circumstances and the time remaining until production starts. The appraisals for project properties are based to a greater extent on a cash flow analysis from simulated future income and expenses based on common appraisal practice.

note 18 Participations in tenant-owners associations, etc.

	2020	2019
<i>Accumulated acquisition value</i>		
Opening balance, January 1	366	567
New purchases	1,114	1,971
Reclassification	-2	-
Translation difference	-10	-1
Sales	-1,023	-2,171
On December 31	445	366

There are 85 (82) unsold residential units in the balance sheet. The item includes show apartments for coming residential phases measured at cost.

note 19 Work in progress

	2020	2019
Work in progress	3,577	3,781
Total	3,577	3,781

Work in progress only relates to projects within JM International.

note 20 Other current receivables

	2020	2019
Receivables from property sales	1	76
Receivables from participations sold in tenant-owners associations	167	292
Deposit investment development properties	179	163
Other	174	195
Total	521	726

note 21 Recognized revenue less progress billings

IFRS	2020	2019
Recognized revenue in work in progress	11,344	9,169
Accumulated billing on account for work in progress	-6,743	-5,814
Total	4,601	3,355
Segment reporting	2020	2019
Recognized revenue in work in progress	13,648	11,768
Accumulated billing on account for work in progress	-11,178	-9,161
Total	2,470	2,607

For additional disclosures on JM's revenue, see Note 29.

note 22 Cash and cash equivalents

	2020	2019
Cash and bank balances	3,037	2,397
Total	3,037	2,397

note 23 Cash flow and interest-bearing net liabilities

IFRS	Cash and cash equivalents/ Bank overdraft facility	Current loans	Non-current loans ¹⁾	Current liabilities, project financing ²⁾	Current lease liabilities	Non-current lease liabilities	Total
Net liabilities, December 31, 2019	2,397	-690	-538	-4,599	-31	-821	-4,282
Cash flow	648	218	-151	-2,477	21	76	-1,665
Currency differences	-8	40	29	240	0	18	319
Other non-cash items	-	-148	148	986	-40	60	1,006
Net liabilities, December 31, 2020	3,037	-580	-512	-5,850	-50	-667	-4,622
Net liabilities, December 31, 2018	1,682	-694	-146	-4,274	-	-	-3,432
Cash flow	708	45	-417	-2,684	-	103	-2,245
Currency differences	7	-19	3	-45	0	-3	-57
Other non-cash items	-	-22	22	2,404	-31	-921	1,452
Net liabilities, December 31, 2019	2,397	-690	-538	-4,599	-31	-821	-4,282

¹⁾ Of which SEK -4m (-20) refers to promissory notes and is reported as Investment in development properties, etc.

²⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement in the financing activities.

Interest-bearing net liabilities/receivables	2020	2019
Cash and cash equivalents and short-term investments	3,037	2,397
Gross liabilities, fixed interest rate	-54	-20
Gross liabilities, variable interest rate	-7,605	-6,659
Liability/receivable	-4,622	-4,282
Cash and cash equivalents	3,037	2,397
Current interest-bearing liabilities	-6,430	-5,289
Non-current interest-bearing liabilities	-512	-538
Current lease liabilities	-50	-31
Non-current lease liabilities	-667	-821
Liability/receivable	-4,622	-4,282
Transferred to pensions	-1,804	-1,702
Interest-bearing net liabilities (-)/receivables (+)	-6,426	-5,984

Accounting of IFRS 16 Leases

According to IFRS, SEK m	2020	2019
Production and operating costs	40	31
Selling and administrative expenses	-13	-13
Revenue	27	18
Financial expenses	-28	-20
Profit/loss before tax	-1	-2
Taxes	0	0
Profit for the year	-1	-2
According to IFRS, SEK m	12/31/2020	12/31/2019
Rights-of-use non-current assets	157	200
Rights-of-use current assets	558	650
Total assets	715	850
Shareholders' equity	-2	-2
Non-current interest-bearing liabilities	667	821
Current interest-bearing liabilities	50	31
Total equity and liabilities	715	850

Cash flow according to IFRS page 87 of specification

Increase/decrease in residential units in the balance sheet	NOTE	2020	2019
Acquisition of participations in tenant-owners associations	18	-1,114	-1,971
Sale of participations in tenant-owners associations	18	1,023	2,171
Change in promissory notes		14	91
Total		-77	291
Other non-cash items	NOTE	2020	2019
Gains/losses on the sale of property	7	-17	-106
Changes in pension liability		102	314
Project financing within JM Residential Stockholm and JM Residential Sweden ¹⁾		-1,664	-1,557
Other provisions, etc.		-280	-321
Total		-1,859	-1,670
Investment in development properties	NOTE	2020	2019
Investment in development properties	17	-1,022	-1,745
Change in promissory notes		-507	-74
Total		-1,529	-1,819
Payment on account for development properties	NOTE	2020	2019
Payment on account for development properties	17	320	365
Sale of development properties	7	40	194
Change in receivables, development properties sold		73	-22
Total		433	537
Investment in project properties	NOTE	2020	2019
Investment in project properties	17	-691	-426
Total		-691	-426
Sale of project properties	NOTE	2020	2019
Sale of project properties	7	1,060	865
Total		1,060	865

¹⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

note **24** Financial liabilities**IFRS**

Non-current interest-bearing liabilities	2020	2019
Liabilities to credit institutions maturity date 1–5 years from closing day	380	430
Non-current promissory notes, development properties 1–5 years	24	20
Convertible loans 1–5 years ¹⁾	109	88
Non-current lease liabilities	667	821
Total	1,180	1,359

Current interest-bearing liabilities	2020	2019
Liabilities to credit institutions, interest-bearing –1 year	6,416	5,266
Convertible loans –1 year ¹⁾	14	23
Current lease liabilities	50	31
Total	6,480	5,320

Interest-bearing net liabilities/receivables	2020	Change	2019
Non-current interest-bearing liabilities	512	–26	538
Current interest-bearing liabilities	6,430	1,141	5,289
Non-current lease liabilities	667	–154	821
Current lease liabilities	50	19	31
Transferred to pensions	1,804	102	1,702
Less cash and cash equivalents and interest-bearing receivables	–3,037	–640	–2,397
Interest-bearing net liabilities (+)/receivables (–), December 31	6,426	442	5,984

Other financial liabilities	2020	2019
Other non-current liabilities 1–5 years from closing day ²⁾	372	765
Accounts payable	819	1,015
Short-term promissory notes, development properties	64	164
Other current liabilities	623	886
Total	1,878	2,830

Maturity financial liabilities	2020	2021	2022	2023	2024–	Total
Financial liabilities	8,056	699	87	114	8,956	8,956
Lease liabilities	50	34	44	589	717	717
Total	8,106	733	131	703	9,673	9,673

2019	2020	2021	2022	2023–	Total
Financial liabilities	7,476	676	581	73	8,806
Lease liabilities	30	170	201	451	852
Total	7,506	846	782	524	9,658

¹⁾ Refer to Note 3, Employees and personnel costs, for more information about the convertible loans.

²⁾ Refer primarily to promissory notes for completed property acquisitions.

Segment reporting

Non-current interest-bearing notes payable	2020	2019
Liabilities to credit institutions maturity date 1–5 years from closing day	221	317
Non-current promissory notes, development properties 1–5 years	24	20
Convertible loans 1–5 years ¹⁾	109	88
Total	354	425

Current interest-bearing liabilities	2020	2019
Liabilities to credit institutions, interest-bearing –1 year	565	667
Convertible loans –1 year ¹⁾	14	23
Total	579	690

Interest-bearing net liabilities/receivables	2020	Change	2019
Non-current interest-bearing liabilities	354	–71	425
Current interest-bearing liabilities	579	–111	690
Transferred to pensions	1,804	102	1,702
Less cash and cash equivalents and interest-bearing receivables	–3,037	–640	–2,397
Interest-bearing net liabilities (+)/receivables (–), December 31	–300	–720	420

Maturity financial liabilities	2020	2019
2020	–	2,395
2021	1,801	674
2022	539	467
2023	87	73
2024 >	114	–
Total	2,541	3,609

¹⁾ Refer to Note 3, Employees and personnel costs, for more information about the convertible loans.

The information in the above tables shows financial liabilities as they are presented in the balance sheet prepared in accordance with segment reporting.

Financial liabilities are divided into non-current and current liabilities, where current liabilities are due within 1 year. Other non-current liabilities relate to notes payable for property acquisitions that become payable when various terms and conditions are met. See Note 25, Financial risk management and financial derivative instruments.

note 25 Financial risk management and financial derivative instruments

The JM Group is exposed to different types of financial risks which may influence profit, cash flow and equity. These risks mainly comprise:

- Interest risks for borrowing and cash and cash equivalents
- Financing and liquidity risks pertaining to the Group's capital requirements
- Currency risks pertaining to profit and net investments in foreign subsidiaries
- Credit risks attributable to financial and commercial activities.

JM's Board of Directors has adopted a policy for how to handle and control these risks within the Group. Financial risk management is largely concentrated to Finance and Treasury, which is also mandated to support operational activities. At the same time, the international companies are responsible for local activities in accordance with financial policy guidelines.

The accounting principles are described in Note 1. The Risks and risk management section on pages 32–37 and 83 describes the Group's risk management and financial policy.

Interest rate risk

Interest risk refers to the risk that changes in the market rate would have a negative effect on the Group's net interest and cash flow. One of the biggest risk factors involves choosing the interest rate period for the Group's loan portfolio. JM chooses its fixed-interest period based on the tied up capital and cash flows of ongoing projects, the volume of long-term borrowing, as well as the current market situation for interest rates with different maturities. To achieve the desired fixed-interest period, the Group primarily works with interest rate derivatives, mainly interest rate swaps, if the volume of long-term financing is judged to be significant.

Since the volume of long-term borrowing in 2020 was relatively limited, the Group mainly worked with short time to maturity. The average term for fixed-rate loans excluding pension liabilities on December 31, 2020, was 0.3 (0.3) according to IFRS and 0.5 (0.2) according to segment reporting.

Fair value on interest-bearing loans, excluding lease liabilities, was SEK 6,942m (5,827) according to IFRS and SEK 933m (1,115) according to segment reporting. The fair value of interest-bearing liabilities to credit institutions is assumed to correspond to the carrying amount since they mainly have a short, fixed term of less than three months. The JM Group has no outstanding interest rate derivatives as of 12/31/2020.

Interest risk exposure, including derivatives

IFRS	2020		2019	
	Loan amount, SEK m	Average interest rate, %	Loan amount, SEK m	Average interest rate, %
Year for interest conversion				
2020	–	–	5,827	2.4
2021	6,888	1.9	–	–
2025	54	2.9	–	–
Pension liability ¹⁾	1,804	1.2	1,702	1.5
Total	8,746	1.7	7,529	2.2

¹⁾ The discount rate for pension obligations is adjusted annually.

Segment reporting

Segment reporting	2020		2019	
	Loan amount, SEK m	Average interest rate, %	Loan amount, SEK m	Average interest rate, %
Year for interest conversion				
2020	–	–	1,115	2.8
2021	879	2.1	–	–
2025	54	2.9	–	–
Pension liability ¹⁾	1,804	1.2	1,702	1.5
Total	2,737	1.5	2,817	2.0

¹⁾ The discount rate for pension obligations is adjusted annually.

The average interest rate on interest-bearing liabilities as at 12/31/2020 including pension liabilities and excluding lease liabilities is 1.7 percent (2.2) according to IFRS and 1.5 percent (2.0) according to segment reporting. A one percent change in the market rate corresponds to an effect on earnings of about SEK 52m according to IFRS and approximately SEK 7m according to segment reporting for the part of the loan portfolio traded in 2021. The calculation is an approximation and is based on the assumption of a simultaneous change in all interest rate curves.

Cash and cash equivalents

Cash and cash equivalents, where applicable, consist of cash and short-term investments. According to JM's financial policy, the company may only invest excess liquidity in liquid instruments issued by issuers with a credit rating of at least A- according to Standard & Poor's or a similar credit rating agency. The investments are short-term with a term of between one day and three months. See Note 22, Cash and cash equivalents.

Financing and liquidity risk

Financing and liquidity risk refers to the risk that loans could become more difficult and more expensive to refinance and that the Group cannot fulfill its current payment obligations due to inadequate liquidity. The Group manages its financing risk by signing long-term binding credit agreements with different maturities with several different institutions. According to the policy, the average term of framework agreements should be 1.5 to 2.5 years.

Binding loan commitments

IFRS	Year due	Total	Over-draft facilities	2021	2022	2023	2024	2025
				Loan commitments, SEK m	13,096	481	3,608	5,175

Binding loan commitments excluding project financing

IFRS	Year due	Total	Over-draft facilities	2021	2022	2023	2024	2025
				Loan commitments, SEK m	2,800	400	–	550

The Group has unutilized approved credit lines according to IFRS of SEK 6,301m. The average maturity for these credit lines excluding the overdraft facility is 1.6 years. Unutilized credit lines, excluding project financing, amount to SEK 2,800m, where credit agreements for SEK 2,400m had an average maturity of 3.1 years.

The Group should maintain cash and cash equivalents, together with approved, unutilized credit lines, of at least 15 percent of JM's revenue according to segment reporting in order for the Group to handle investments and current payments. The outcome in 2020 is 38 percent (33).

Currency risk

Because of extremely limited transaction volumes in foreign currency, the Group has not engaged in hedging activities for these volumes.

All loans are reported in the functional value of each respective country.

Credit risk

Credit risk associated with financial operations

Credit risk exposure in the form of counterparty risk arises with investment of cash and cash equivalents and during derivative trading. In order to limit credit risks the Group has prepared a counterparty list that sets a maximum exposure in relation to each approved party. ISDA agreements (International Swaps and Derivatives Association) or equivalent Swedish bank agreements have been prepared with those counterparties that are used for transactions with derivative instruments. No financial assets and liabilities have been offset.

Credit risks associated with accounts receivable

The JM Group's customers are mainly tenant-owners associations and future owners of private homes. The Group also works with contracting operations. Group also has tenants in both residential and commercial premises. Credit risk exposure relating to tenant-owners associations has historically been very limited since financing of production takes place through the association's bank loan. The JM Group works on an ongoing basis with the evaluation of its customers, who have excellent creditworthiness, which results in a low degree of credit risk in accounts receivable. A similar arrangement applies for customers who buy their own homes. To ensure the customer's ability to pay, a credit check is always carried out. Accounts receivable for the production of residential units amounts to SEK 438m (486). JM Group considers provisions for accounts receivable for the production of residential units to be negligible.

Credit risk exposure to customers in the contracting operations and for rentals of residential and commercial premises has a somewhat different nature. Accounts receivable for the contracting operations amount to SEK 351m (410).

Provisions for doubtful receivables amount to SEK 3.2m (4.0) and are primarily attributable to accounts receivable from the rental operations. During the year, the Group utilized SEK 0.1m (0.0) of earlier provisions. Receivables older than 60 days amount to SEK 414m (286). As at 12/31/2020, receivables older than 90 days amounted to SEK 345m (226) and are primarily attributable to a few ongoing discussions/ disputes with customers and are not related to the orderer's creditworthiness. Like in previous years, the outstanding accounts receivables do not constitute a credit risk.

Provision and utilization of the provision for doubtful accounts receivable were recognized in the income statement. The accounting principles are described in Note 1, Financial instruments on pages 92–93.

Note 25 continued

Aged accounts receivable

12/31/2020 SEK m	Nomi- nal	Not past due	≤ 30 days	31–60 days	61–90 days	> 90 days
Residential development	438	212	64	10	52	100
Contracting	351	63	14	12	17	245
Other	13	13				
Total	802	288	78	22	69	345
Number of invoices	1,111	591	127	33	22	338

12/31/2019 SEK m	Nomi- nal	Not past due	≤ 30 days	31–60 days	61–90 days	> 90 days
Residential development	486	286	25	54	13	108
Contracting	410	145	32	68	47	118
Other	16	16	0	0	0	0
Total	912	447	57	122	60	226
Number of invoices	1,057	688	101	34	39	195

Credit risk analysis customers

12/31/2020 Interval	Number of customers	in % of number	in % of the portfolio
Exposure interval < SEK 1m	672	90	7
Exposure interval SEK 1–5m	40	5	11
Exposure interval > SEK 5m	35	5	82
Total	747	100	100

12/31/2019 Interval	Number of customers	in % of number	in % of the portfolio
Exposure interval < SEK 1m	707	90	8
Exposure interval SEK 1–5m	41	5	11
Exposure interval > SEK 5m	38	5	81
Total	786	100	100

Valuation of financial assets and liabilities

JM used generally accepted methods for calculating the fair value of the Group's financial instruments as of December 31, 2020 and 2019. The fair value of interest-bearing liabilities to credit institutions is assumed to correspond to the carrying amount since they mainly have a short, fixed term of less than three months. Notes payable for property acquisitions become payable in conjunction with fulfillment of various conditions, such as approval of local plans or when the project begins. The fair value of notes payable for property acquisitions is therefore assumed to be equal to the carrying amount since the liabilities are payable on demand. For all other financial assets and liabilities, such as cash and cash equivalents, accounts receivable, and accounts payable, the carrying amount is assumed to provide a good approximation of fair value/cost. The Group applies trade date accounting.

The table in the right column shows the carrying amount and information about the category which the JM Group's financial instruments belong in accordance with IFRS 9 Financial Instruments.

IFRS

Financial Instruments	Category according to IFRS 9 ²⁾	12/31/2020 Carrying amount ¹⁾	12/31/2019 Carrying amount ¹⁾
Assets			
Financial assets	FAAC	17	18
Of which other non-current receivables	FAAC	12	13
Of which other non-current securities	FAAC	5	5
Accounts receivable	FAAC	802	912
Other current receivables	FAAC/n/a	521	726
Of which derivative instruments ³⁾	FAD	–	1
Of which receivables from property sales	FAAC	1	76
Of which other	n/a	520	649
Cash and cash equivalents	FAAC	3,037	2,397
Liabilities			
Non-current interest-bearing liabilities	FLAC	1,180	1,359
Of which convertible loan	FLAC	109	88
Of which lease liabilities	FLAC	667	821
Of which other non-current interest-bearing loans	FLAC	404	450
Other non-current receivables	FLAC	372	765
Accounts payable	FLAC	819	1,015
Current interest-bearing liabilities	FLAC	6,480	5,320
Other current liabilities	FLAC	687	1,050
Of which derivative instruments ³⁾	FLvPL	–	–
Of which other current liabilities	FLAC	687	1,050

Segment reporting

Differences between IFRS and segment reporting occur in the following items.

Liabilities			
Non-current interest-bearing liabilities	FLAC	354	425
Current interest-bearing liabilities	FLAC	579	690
Other current liabilities	FLAC	382	662

¹⁾ JM considers there to be no significant difference between the carrying amount and fair value.

²⁾ Classification in accordance with IFRS 9, explanation of abbreviations:

FAAC	Financial assets measured at amortized cost
FAD	Derivative instruments at fair value through profit or loss
FLAC	Financial liabilities at amortized cost
FLvPL	Financial liabilities at fair value through profit or loss
n/a	IFRS 9 is not applicable

³⁾ Fair value for all assets and liabilities reported at fair value has been calculated based on directly or indirectly observed prices, which corresponds to Level 2 in IFRS 13.

Financial derivative instruments

JM uses financial derivative instruments to manage interest risks and on a selective basis, occasional currency risks. Derivative instruments may only be used to minimize risks. All gains and losses that arise in market valuations of instruments are recognized directly in profit and loss, since the JM Group does not apply hedge accounting for existing derivatives.

The JM Group has no outstanding interest rate derivatives as of 12/31/2020. Outstanding currency derivatives amount to SEK 0m (1) on 12/31/2020.

Asset Management

JM manages capital, which comprises the consolidated equity, with the purpose of providing JM shareholders with a higher total return than shareholders in companies with similar operations and risk profile.

JM's ambition is to maintain an optimal composition of assets and capital structure over time, suitable for the Company's project development activities. According to the stated objectives for capital structure, the equity ratio shall be at least 35 percent. The equity ratio target is a simplified consequence of a more extensive analysis where shareholders' equity has been allocated to the different asset classes and types of operations in the balance sheet, taking assessed operating risk into account.

note 26 Provisions for pensions and similar obligations

Defined-benefit plans

JM has a defined-benefit plan for pensions, the ITP 2 plan in Sweden, which is financed in-house. The plan encompasses 2,807 people, of which 604 are active.

Defined-contribution plans defined-benefit plans

These plans mainly comprise retirement pension and survivor's pension. Premiums are paid regularly during the year by the Group company concerned to separate legal entities. The pension cost for the period is recognized in the income statement.

Obligations regarding employee benefits, defined-benefit plans

The following provisions for pension obligations have been made in the balance sheet:

Group	2020	2019
Pension obligations, unfunded plans	1,804	1,702

Pension obligations and provisions for pension obligations as well as actuarial gains/losses for the defined-benefit pension plans have developed as follows:

Total pension commitments	2020	2019
Opening balance, January 1	1,702	1,388
Benefits earned during the year	73	63
Interest expenses	26	34
Benefits paid	-39	-38
Actuarial gains (-)/losses (+)	42	255
On December 31	1,804	1,702

The actuarial loss in 2020 is primarily attributable to a change in the discount rate.

Actuarial gains (+)/losses (-)	2020	2019	2018	2017	2016
Total pension commitments	1,804	1,702	1,388	1,251	1,239
Experience adjustments, percentage of this year's actuarial gains (+) and losses (-):					
Pension obligations, SEK m	3	17	30	15	-8
Percent of total value of the pension commitments, %	0.2	1.0	2.2	1.1	0.6

Pension costs	2020	2019
Benefits earned during the year	73	63
Interest on obligations	26	34
Pension costs, defined-benefit plans	99	97
Pension costs, defined-contribution plans	138	145
Social security expenses, defined-benefit and defined-contribution plans	53	54
Total	290	296

Of the above pension costs, SEK 26m (34) is recognized as a financial cost, corresponding to the interest on the obligation.

Future assessment of cash flow for the pension provision	2021	2022	2023	2024	2025
Pension payouts	-41	-41	-41	-43	-43

Actuarial assumptions

The most important actuarial assumptions as per closing day can be seen in the following table.

	Sweden	
	2020	2019
%		
Discount rate	1.20	1.50
Expected salary increases	3.30	3.50
Inflation	1.50	1.70
Income base amount	2.80	3.00
Attrition rate	6.00	6.00

The determined discount rate takes into consideration the market return on mortgage bonds and swap interest rates and a premium of a longer maturity was added based on the duration of the pension obligations. The duration of the obligation is 21 years.

The anticipated salary increase factor corresponds to anticipated future salary increases as a composite effect of inflation, period of service, and promotion.

The inflation factor corresponds to the anticipated pension upward adjustment (or indexing). In this section, JM has opted to balance the inflation goal, which is set by Sveriges Riksbank, against the outcome of inflation in Sweden over the most recent 10-year period.

JM in Sweden has the DUS14 life expectancy table to calculate its pension liability, which in practical terms means that JM assumes that a man in Sweden who is currently 65 will live for 22 years after retirement and a woman for 24 years.

Pension obligation's sensitivity to a change in the discount rate

	2020	2019
Pension obligations as of December 31, 2020	1,804	1,702
The discount rate increases by 0.25 %	1,714	1,618
The discount rate decreases by 0.25 %	1,900	1,793

note 27 Other provisions

	Warranty provisions		Special payroll tax on pension liability	
	2020	2019	2020	2019
Opening balance, January 1	770	912	210	145
Provisions	319	354	16	65
Reclassification	12	-219	-	-
Utilized during the year	-331	-270	-	-
Reversed provisions	-8	-9	-	-
Translation difference	-7	2	-	-
On December 31 ¹⁾	755	770	226	210
¹⁾ Of which short-term part of warranty provisions	133	134		

Provisions for guarantee commitments relate to costs that could arise during the guarantee period and that are reported as non-current and current liabilities in the balance sheet.

The amount of the provision is primarily based on the number of residential units per project and is charged to the project upon conclusion. The majority of the warranty provisions have a duration of around two to three years after the project is completed.

Since the effect of when in time payment occurs is immaterial, expected future payments are not calculated at present value.

Special payroll tax on the pension liability is calculated in full as 24.26 percent of the difference between the pension liability measured in accordance with IAS 19 and the reported pension liability in the legal person.

note 28 Deferred tax assets and tax liabilities

	2020	2019
Deferred tax liability on tax allocation reserves	526	522
Other deferred tax liabilities ¹⁾	370	398
Subtotal	896	920
Less deferred tax receivables	-293	-281
Net deferred tax liabilities	603	639
Deferred tax assets	7	-
¹⁾ Other deferred tax liabilities are allocated to:		
Development properties ²⁾	300	337
Provision for taxation not yet approved	28	28
Other current assets	42	33
Total	370	398

²⁾ Fiscal difference and carrying amount.

Deferred tax assets are attributable primarily to the pension liability, other personnel-related items and warranty risk reserves. In addition to the above, JM has loss carry-forwards and temporary differences in JM International, which are not reported as deferred tax assets, of SEK 93m, including SEK 0m that is time-limited within an interval of 1–10 years.

The difference between IFRS and segment reporting refers only to the item Other current assets and is attributable to the tax effect between the reported profit/loss for JM International according to segment reporting and IFRS, respectively.

note 29 Progress billings in excess of recognized revenue

	2020	2019
IFRS		
Accumulated billing on account for work in progress	19,458	18,545
Recognized revenue in work in progress	-18,450	-17,078
Total	1,008	1,467
Segment reporting		
Accumulated billing on account for work in progress	21,337	20,299
Recognized revenue in work in progress	-19,975	-18,495
Total	1,362	1,804

The closing balance for full-year 2019 has been closed and recognized as revenue in 2020.

During 2020, JM recognized revenue of around SEK 1.0bn (0.8) attributable to performance commitments met during previous years.

note 30 Accrued expenses and deferred income

	2020	2019
Personnel-related items	495	505
Prepaid rental income	17	19
Other accruals ¹⁾	907	899
Total	1,419	1,423

¹⁾ Refers mainly to accrued project costs.

note 31 Pledged assets and contingent liabilities

	2020	2019
Assets pledged to secure own provisions and liabilities		
Corporate mortgages	100	100
Property mortgages	295	375
Total	395	475
Contingent liabilities		
Guarantee commitments, other	7,052	7,788
Guarantees in connection with assignments	1,627	1,668
Payment and rental guarantees	92	74
Other contingent liabilities	18	17
Total	8,789	9,547

The corporate mortgage relates to the pension liability that JM Sweden has with PRI. Property mortgages are only granted to a limited extent for financing with credit institutions.

During a tenant-owners association's production period, the JM Group provides guarantees for the part of the short-term financing in a bank that exceeds an association's future long-term loans. Guarantee commitments, other relates entirely to the short-term financing. The long-term loans are secured by the mortgage deeds taken out by the association.

The Group is obligated to acquire from tenant-owners associations in Sweden, with which JM has signed turnkey contracts, residential units that have not been sold as tenant-owned apartments at the end of the most recent quarter following an approved final inspection.

Guarantees in connection with assignments largely relate to performance guarantees for contract work with municipalities and municipality-owned companies. These guarantees are in effect during production and for 2–5 years after completion. The commitment normally amounts to 10 percent of the contract price until completion of the work, after which it drops to 5 percent of the contract sum. To the extent that it is considered likely that JM will be held accountable, the commitment is recognized as a liability in the statement of financial position.

In its ongoing business, JM occasionally is involved in disputes and legal proceedings. These disputes and legal proceedings are not expected, individually or as a whole, to have a significant negative effect on JM's financial performance or position.

note 32 Related party disclosures

Related party disclosures are presented in Note 3, Employees and personnel costs. The Group's related party transactions, in addition to that set out in Note 3, refers only to joint operations and associated companies. They are limited in scope and were subject to market conditions.

INCOME STATEMENT – PARENT COMPANY, SEK m	NOTE	2020	2019
Net sales	1	-10,790	10,294
Production and operating costs	2	-8,586	-8,021
Gross profit		2,204	2,273
Selling and administrative expenses	2, 3, 4	-650	-652
Gains/losses on the sale of property	5	0	0
Operating profit		1,554	1,621
Profit/loss from financial items	6		
Profit/loss from Group companies		329	175
Profit/loss from associated companies		-	25
Profit/loss from other financial assets		1	1
Profit/loss from financial current assets		10	6
Interest expenses and similar income statement items		-60	-56
Profit before appropriations and tax		1,834	1,772
Appropriations	7	-61	-221
Profit before tax		1,773	1,551
Taxes	8	-319	-292
Net profit for the year		1,454	1,259
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY, SEK m		2020	2019
Net profit for the year		1,454	1,259
Other comprehensive income		-	-
Total comprehensive income for the year		1,454	1,259

BALANCE SHEET – PARENT COMPANY, SEK m	NOTE	31/12/2020	31/12/2019
ASSETS	1		
Non-current assets			
Plant, property, and equipment			
Equipment and other tools	9	2	6
Financial assets	10		
Participations in Group companies	10	1,559	1,459
Participations in joint operations		190	190
Non-current receivables in joint operations		17	17
Other non-current receivables		8	8
Total non-current financial assets		1,774	1,674
Total non-current assets		1,776	1,680
Current assets			
Project properties	11	223	105
Development properties	11	4,256	5,011
Participations in tenant-owners associations, etc.	12	367	262
Accounts receivable		203	303
Other current receivables		340	439
Current interest-bearing receivables in Group companies		1,646	1,812
Recognized revenue less progress billings	13	3,956	2,923
Prepaid expenses and accrued income		21	19
Cash and cash equivalents	14	2,822	2,226
Total current assets		13,834	13,100
TOTAL ASSETS		15,610	14,780
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		70	70
Restricted equity		70	70
Share premium reserve		148	147
Undistributed earnings		2,829	2,440
Net profit for the year		1,454	1,259
Unrestricted equity	24	4,431	3,846
Total shareholders' equity		4,501	3,916
Untaxed reserves	15	2,410	2,380
Provisions			
Provisions for pensions and similar obligations	16	783	753
Deferred tax liabilities	8	3	40
Warranty provisions and other provisions	17	636	660
Total provisions		1,422	1,453
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	18	109	89
Other non-current receivables		352	714
Total non-current liabilities		461	803
Current liabilities			
Accounts payable		519	606
Current interest-bearing liabilities	18	3,218	1,982
Other current liabilities	19	254	434
Current interest-bearing liabilities to Group companies	18	1,056	1,125
Current tax liabilities		94	80
Progress billings in excess of recognized revenue	20	592	952
Accrued expenses and deferred income	21	1,083	1,049
Total current liabilities		6,816	6,228
TOTAL EQUITY AND LIABILITIES		15,610	14,780

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY, SEK m	Share capital	Share premium reserve	Undistributed earnings	Total share- holders' equity
Opening balance, January 1, 2019	70	145	3,275	3,490
Total comprehensive income for the year	–	–	1,259	1,259
Dividend	–	–	–835	–835
Merger Group companies	–	–	0	–
Equity component of convertible debentures	–	2	–	2
Closing balance, December 31, 2019	70	147	3,699	3,916
Opening balance, January 1, 2020	70	147	3,699	3,916
Total comprehensive income for the year	–	–	1,454	1,454
Dividend	–	–	–870	–870
Merger Group companies	–	–	–	–
Equity component of convertible debentures	–	1	–	1
Closing balance, December 31, 2020	70	148	4,283	4,501

Number of shares (1 vote/share) as of December 31, 2020, amounts to 69,583,262 (69,583,262), of which JM AB repurchased 0 shares (0) which do not participate in dividends. Par value per share is SEK 1.

The proposed dividend for 2020 is SEK12.75 per share (12.00).

CASH FLOW STATEMENT – PARENT COMPANY, SEK m	NOTE	2020	2019
	1		
OPERATING ACTIVITIES			
Operating profit		1,554	1,621
Depreciation and amortization		3	5
Increase/decrease in residential units in the balance sheet		-93	370
Other non-cash items ¹⁾		-1,739	-1,518
Sub-total, cash flow from operating activities		-275	478
Interest received		11	6
Dividends received		84	156
Interest paid and other financial expenses		-27	-25
Paid tax		-426	-343
Cash flow from operating activities before change in working capital		-633	-98
Investment in development properties		-1,347	-959
Payment on account for development properties ¹⁾		15	0
Increase/decrease in other current receivables, etc.		1,671	171
Increase/decrease in other current operating liabilities		-357	595
Cash flow before investments and sales of project properties		-651	79
Investment in project properties		-117	103
Sale of project properties		27	-
Cash flow from operating activities ¹⁾		-741	182
INVESTING ACTIVITIES			
Investment in Group companies and associated companies, etc.		-100	-403
Change in financial assets ¹⁾		0	46
Cash flow from investing activities		-100	-357
FINANCING ACTIVITIES			
Loans raised		34	32
Amortization of debt		-22	-18
Loans raised, project financing ¹⁾		3,158	2 187
Amortization of debt, project financing ¹⁾		-863	-278
Dividend		-870	-835
Cash flow from financing activities		1,437	1 088
Cash flow for the year		596	913
Cash and cash equivalents, at beginning of the year		2,226	1,313
Cash and cash equivalents, at end of the year		2,822	2,226

¹⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement, neither as a negative item (amortization) in the financing activities nor as a positive item in operating activities.

note 1 Accounting and valuation principles

Amounts in SEK m unless otherwise stated.

For the Parent Company's accounting policies, please refer to the Group's accounting and valuation principles on pages 89–93.

note 2 Employees and personnel costs

	2020	2019
Average number of employees (all in Sweden) (of which men, %)	1,752 (75)	1,697 (77)
Wages, salaries, other remuneration and social security expenses		
Board of Directors and President (of which variable remuneration)	12 (2)	12 (2)
Other employees (of which variable remuneration)	958 (42)	947 (45)
Total salaries and other remuneration (of which variable remuneration)	970 (44)	959 (47)
Social security expenses (of which pension costs)	488 (170)	495 (182) ¹⁾
Total Parent Company	1,458	1,454

¹⁾ Of the Parent Company's pension costs, SEK 2.9m (2.8) pertain to the President. The Company's outstanding pension obligations to the President amount to SEK 0.8m (0.7). The Company has no pension costs or pension commitments to the rest of the Board.

For information about benefits to JM AB senior executives, please see Group Note 3.

note 3 Accumulated depreciation according to plan

	2020	2019
Equipment and other tools	-4	-5
Total	-4	-5

The following depreciation rates are applied:
Computers and other equipment 20–33 percent.

note 6 Profit/loss from financial items

	Profit/loss from Group companies		Profit/loss from joint operations		Profit/loss from other financial assets		Profit/loss from financial current assets		Interest expenses and similar income statement items		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Dividend	321	156	-	25	-	-	-	-	-	-	321	181
Capital gains/losses	-	37	-	-	-	-	1	1	-	-	1	38
Share in profits	8	5	-	-	-	0	-	-	-	-	8	5
Impairment loss	-	-23	-	-	-	-	-	-	-	-	-	-23
Interest income	-	-	-	-	1	1	1	1	-	-	2	1
Interest income, Group companies	-	-	-	-	-	-	8	5	-	-	8	5
Interest expenses	-	-	-	-	-	-	-	-	-29	-27	-29	-27
Interest portion in this year's pension costs	-	-	-	-	-	-	-	-	-31	-29	-31	-29
Total	329	175	-	25	1	1	10	6	-60	-56	280	151

note 4 Fees and remuneration to auditors

PwC	2020	2019
Auditing services	3.7	3.0
Other services ¹⁾	2.3	1.2
Total	6.0	4.2

¹⁾ See Group Note 5.

note 5 Gains/losses on the sale of property

	2020	2019
Sales values		
Development properties	15	1
Project properties	27	-
Total	42	1
Carrying amounts		
Development properties	-15	-1
Project properties	-27	-
Total	-42	-1
Results		
Development properties	0	0
Project properties	0	-
Total	0	0

note 7 Appropriations

	2020	2019
Provision to tax allocation reserve	-410	-360
Reversal of previous years' provisions to tax allocation reserve	380	370
Group contribution received	11	33
Group contribution paid	-42	-264
Total	-61	-221

note 8 Taxes

	2020	2019
Profit/loss before tax	1,773	1,551
Current tax	-359	-327
Deferred tax	40	35
Total tax	-319	-292

Difference between reported tax and nominal tax rate of 21.4 percent.

Profit before tax x 21.4%	-379	-332
Adjustment of tax from previous years	0	0
Non-taxable revenue	70	52
Non-deductible expenses	-3	-8
Revaluation new corporate income tax rate	-2	-
Tax untaxed reserve (tax allocation reserve)	-5	-4
Total	-319	-292

Deferred tax assets and tax liabilities	2020	2019
Deferred taxes attributable to personnel-related provisions and warranty provisions	50	56
Deferred tax liability attributable to temporary differences in project properties and development properties	-53	-96
Net deferred tax liabilities	-3	-40

See Group Note 8.

note 10 Financial assets

	Participations in Group companies		Participations in joint operations		Non-current receivables in joint operations		Other non-current receivables		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Accumulated acquisition value</i>										
Opening balance, January 1	1,459	1,256	190	190	17	17	8	9	1,674	1,472
New purchases	100	403	-	-	-	-	-	-	100	403
Additional receivables	-	-	-	-	-	-	-	-1	-	-1
Merger	-	-169	-	-	-	-	-	-	-	-169
Sales	-	-9	-	-	-	-	-	-	-	-9
Impairment losses for the year	-	-22	-	-	-	-	-	-	-	-22
On December 31	1,559	1,459	190	190	17	17	8	8	1,774	1,674

For specification of the Parent Company's and the Group's participations in joint operations and associated companies, see Group Note 15.

note 9 Equipment and other tools

	2020	2019
<i>Accumulated acquisition value</i>		
Opening balance, January 1	50	50
New purchases	-	-
On December 31	50	50
<i>Accumulated depreciation according to plan</i>		
Opening balance, January 1	-44	-39
Depreciation for the year	-4	-5
On December 31	-48	-44
Closing residual value, at end of year	2	6

Note 10 continued

Specification of Parent Company's shares and participation in wholly owned Group companies, SEK 000s

Company	CIN	Domicile	Number of shares and participations	Carrying amount	
				2020	2019
AB Borätt	556257-9275	Stockholm	500	1,978	1,978
AB Garantihus	556073-0524	Stockholm	5,000	1,000	1,000
AB IG 1&3	559147-3698	Gothenburg	500	20,788	20,788
AB Konvertibelhus	559001-7025	Stockholm	500	50	50
Bergshamra Bro AB	559066-5666	Stockholm	50,000	61,425	61,425
BRO Haifa 1 AB	556821-1949	Stockholm	500	45,476	45,476
Bruket i Kallhäll Exploaterings AB	556561-0184	Stockholm	1,000	100	100
Bruket i Kallhäll Exploaterings KB	969653-9122	Stockholm	–	10	10
Fastighetsbolaget Metallfabriken i Örebro AB	559077-9582	Stockholm	500	27,562	27,562
Huddinge Fabriken AB	556694-7049	Stockholm	1,000	41,276	41,276
JM Bostad Stockholm Holding AB	559278-9449	Stockholm	2,000	200	–
JM Byrån Holding AB	556752-9630	Stockholm	1,000	100	100
JM Construction S. A., Belgium	413662141	Brussels	10,000	91,906	91,906
JM Entreprenad AB	556060-8837	Stockholm	200,000	107,750	107,750
JM Fastighetsutveckling Holding AB	556847-3259	Stockholm	500	50	50
JM Fastighetsutveckling 2 Holding AB	559034-9089	Stockholm	500	50	50
JM Fastighetsutveckling 3 Holding AB	559109-6960	Stockholm	500	50	50
JM Hyresbostäder Holding AB	556977-0471	Stockholm	500	130	130
JM Hyresbost Holding AB	559213-7029	Stockholm	500	72,007	–
JM Kammarsadeln Holding AB	556853-8465	Stockholm	500	50	50
JM Norge AS, Norway	829350122	Oslo	20,000	120,243	120,243
JM Suomi OY, Finland	1974161-8	Helsinki	1,000	570,375	570,375
JM Supply AB	559126-3644	Stockholm	500	50	50
JM Tegelbruket Ekerö Strand AB	559124-0147	Stockholm	500	52,432	52,432
JM Värmdöstrand AB	556001-6213	Värmdö	4,400	158,000	158,000
JM@Home AB	559091-8289	Stockholm	1,000	100	100
KB Silverfjädern	969676-7525	Stockholm	–	0	0
Klippiljuset Holding AB	556872-0527	Stockholm	500	50	50
Minimalen Bostad AB	556754-2138	Stockholm	1,000	11,550	11,550
Seniorgården AB	556359-9082	Stockholm	1,000	100	100
Stockholm Pundet 1 AB	556852-1297	Stockholm	500	74,722	74,722
Södra Ribersborg Fastighet 20 AB	559058-3877	Stockholm	1,000	27,873	–
Trollhagen Fastighets AB	559082-6235	Uppsala	1,000	71,982	71,982
Carrying amount, December 31				1,559,435	1,459,355

note 11 Project properties and development properties

	Project properties		Development properties	
	2020	2019	2020	2019
<i>Accumulated acquisition value</i>				
Opening balance, January 1	105	208	5,033	5,064
New purchases	118	–103	844	513
Merger	–	–	–	201
Reclassification	27	–	–29	–
Transferred to production	–	–	–1,567	–744
Sales	–27	–	–15	–1
On December 31	223	105	4,266	5,033
<i>Accumulated impairment losses</i>				
Opening balance, January 1	–	–	–22	–31
Transferred to production	–	–	12	9
On December 31	–	–	–10	–22
Closing residual value at end of year	223	105	4,256	5,011

Reported residual value for the part of project properties recognized at net realizable value amounts to SEK 0m (0) and for development properties SEK 78m (95).

note 12 Participations in tenant-owners associations, etc.

	2020	2019
<i>Accumulated acquisition value</i>		
Opening balance, January 1	262	541
New purchases	1,042	1,853
Sales	–937	–2,132
On December 31	367	262

note 13 Recognized revenue less progress billings

	2020	2019
Recognized revenue in work in progress	8,244	7,298
Accumulated billing on account for work in progress	–4,288	–4,375
Total	3,956	2,923

note 14 Cash and cash equivalents

	2020	2019
Cash and bank balances	2,822	2,226
Total	2,822	2,226

note 15 Untaxed reserves

	2020	2019
Tax allocation reserve for 2015 taxation	–	380
Tax allocation reserve for 2016 taxation	380	380
Tax allocation reserve for 2017 taxation	350	350
Tax allocation reserve for 2018 taxation	530	530
Tax allocation reserve for 2019 taxation	380	380
Tax allocation reserve for 2020 taxation	360	360
Tax allocation reserve for 2021 taxation	410	–
Total	2,410	2,380

note 16 Provisions for pensions and similar obligations

	2020	2019
Opening balance, January 1	753	713
Benefits earned during the period	29	30
Interest expenses	28	27
Pensions paid	–37	–37
Other	10	20
On December 31	783	753

In the Parent Company, the ITP plan is posted as a liability under pension provisions.

note 17 Warranty provisions and other provisions

	Provisions	
	2020	2019
Opening balance, January 1	660	823
Provisions	270	292
Reclassification	11	–217
Utilized during the year	–305	–238
On December 31	636	660

note 18 Interest-bearing liabilities

Non-current interest-bearing liabilities	2020	2019
Other liabilities 1–5 years from the closing date	0	0
Convertible loans 1–5 years	109	89
Total	109	89

Current interest-bearing liabilities	2020	2019
Convertible loans 1 year	14	22
Other liabilities 1 year	3,204	1,960
Liabilities to Group companies	1,056	1,125
Total	4,274	3,107

Liabilities to credit institutions, confirmed credits	2020	2019
Credit agreements		
Bank overdraft facility	400	400
Granted credit agreement due date within one year	–	–
Granted credit agreement due date greater than one year	2,400	2,400
Unutilized portion	–2,800	–2,800
Utilized credit agreement	0	0

Credit agreements carry fixed interest. See Group Note 23 for comments.

note 19 Other current liabilities

	2020	2019
Short-term promissory notes, development properties	39	95
Other current liabilities	215	339
Total	254	434

note 20 Progress billings in excess of recognized revenue

	2020	2019
Accumulated billing on account for work in progress	16,446	14,274
Recognized revenue in work in progress	–15,854	–13,322
Total	592	952

note 21 Accrued expenses and deferred income

	2020	2019
Personnel-related items	344	334
Prepaid rental income	9	9
Other accruals ¹⁾	730	706
Total	1,083	1,049

¹⁾ Refers mainly to accrued project costs.

note 22 Pledged assets and contingent liabilities

	2020	2019
Assets pledged to secure own provisions and liabilities		
Corporate mortgages ¹⁾	100	100
Property mortgages	–	–
Total	100	100

Contingent liabilities	2020	2019
Guarantee commitments, other ²⁾	7,051	7,788
Guarantees on behalf of Group companies ³⁾	2,234	2,270
Guarantees in connection with assignments	155	187
Payment and rental guarantees	1	–
Other contingent liabilities	18	17
Total	9,459	10,262

^{1, 2)} See Group Note 31 for comments.

³⁾ Guarantees on behalf of Group companies mainly relate to commitments for the international companies and JM Entreprenad AB.

note 23 Related party disclosures

The Parent Company has a related party relationship with its subsidiaries and joint operations; see Group Note 15.

	2020	2019
Purchase of goods and services from Group companies	332	290
Interest income from Group companies	1	1
Dividend from Group companies	321	156
Share in profits from Group companies	8	5
Dividend from joint operations	–	25
Non-current receivables in joint operations	17	17
Current interest-bearing receivables in Group companies	1,646	1,812
Current interest-bearing liabilities to Group companies	1,056	1,125
Guarantees on behalf of Group companies	2,234	2,270

Transactions with key individuals in leading positions can be found in Note 2, Employees and personnel costs. All transactions with related parties and companies were conducted on market-based terms.

note **24** Proposed disposition of earnings

Unrestricted equity in the Parent Company is:	
Retained earnings and share premium reserve	SEK 2,977,362,671
Net profit for the year	SEK 1,453,919,524
Total	SEK 4,431,282,195

The Board of Directors and the CEO propose:	
that SEK 12.75 per share be paid to shareholders ¹⁾	SEK 887,186,591
and that the remaining amount be carried forward	SEK 3,544,095,164
Total	SEK 4,431,282,195

¹⁾ There are 69,583,262 registered shares in the Parent Company on January 31, 2021, of which the number of dividend-bearing shares amounts to 69,583,262.

Stockholm, February 12, 2021

The undersigned certify that the consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and generally accepted accounting principles and give a fair presentation of the Group's and the Company's position and financial performance, and that the Board of Director's Reports for the Group and the Company provide a fair presentation of the development of the Group's and the Company's operations, position and financial performance and describes the significant risks and uncertainty factors facing the companies that belong to the Group.

Fredrik Persson
Chair of Board

Kaj-Gustaf Bergh
Member

Kerstin Gillsbro
Member

Camilla Krogh
Member

Olav Line
Member

Eva Nygren
Member

Thomas Thuresson
Member

Annica Ånäs
Member

Peter Olsson
Member, employee-appointed

Jan Strömberg
Member, employee-appointed

Johan Skoglund
President and CEO

Our Auditor's Report was submitted on February 19, 2021.
PricewaterhouseCoopers AB

Ann-Christine Hägglund
*Authorized Public Accountant
Auditor-in-charge*

Fredrik Kroon
Authorized Public Accountant

Auditor's report

To the general meeting of shareholders of JM AB (publ), corporate identity number 556045-2103

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of JM AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 77–117 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31 2020 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and the balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and the consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, to the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the JM Group, the accounting processes and controls, and the industry in which JM operates.

In a business such as JM's, our risk assessment is particularly influenced by the impact of the Board of Directors' and management's estimates and judgements on the financial statements. We have assessed the highest risk for misstatements in the financial statements to be the percentage-of-completion revenue recognition in the ongoing projects – in both the residential development business and the construction business. In addition, we have identified a number of other risks that also reflect components of estimates and judgements. Amongst those are warranty provisions, valuation of development and project properties and disputes. As in all of our audits, we also addressed the risk of the Board of Directors' and management overriding internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Based on the risk assessment the central audit team developed an audit strategy according to which the group audit has focused on the large components JM Residential Stockholm, JM Residential Sweden, JM Construction and the Norwegian operations within JM International which all have been subject to a so-called full audit. For the Finnish operation within JM International, specific procedures have been performed primarily for ongoing projects. With respect to JM Property Development and the building rights in Belgium, the examination has focused on the book values of project and development properties and real estate sales for the year.

The central audit team performs the audit of the Swedish components and issues, based on the audit strategy, instructions to the Norwegian and Finnish audit teams. The central team also audits relevant aspects of and controls over the JM group's common information systems, including SAP ECC. The results of this examination are shared with local teams.

Materiality

The scope of our audit is influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and the consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and the consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter
Recognition of revenue and profits in Swedish residential development projects

JM's revenue in the Swedish residential development operations are recognised over time, i.e., applying percentage-of-completion taking into account also so-called sales ratio. This means that revenue and profits recognised in ongoing projects are dependent on assumptions and estimates of items included in the forecasts of total revenue and costs. Those forecasts include estimates of costs for, e.g., labour, material, subcontractors and warranty obligations. The latter may from time to time require updated assessments also for projects already completed. Revenue and profit recognition therefore require sufficient processes for calculations, reporting, analysis and forecasts.

The amounts involved combined with the high degree of estimates and judgements make this a key audit matter. We have paid special attention to the methodology and the judgments forming the basis for determining the margin used in the percentage-of-completion profit recognition, as well as to the principles, methods and assumptions forming the basis for the assessment of warranty obligations recognised.

See e.g. the sections "Important sources of uncertainty in estimates", "Revenue and profit/loss from residential project development" and "Provisions for warranty commitments" in note 1 Accounting and valuation principles as well as note 21 Recognized revenue less progress billings, note 27 Other provisions and note 29 Progress billings in excess of recognized revenue."

Ongoing construction contracts in JM Construction

JM Construction's (JME) revenue is recognised over time, i.e., applying percentage-of-completion. This means that revenue and profits recognised in ongoing projects are dependent on assumptions and estimates of items included in the forecasts of total revenue and costs. Those forecasts include estimates of costs for, e.g., labour, material, subcontractors and warranty obligations.

JME's projects are not repetitive in the same manner as are JM's residential development projects and the former's complexity are normally greater than the latter's. As stated in the statutory administration report JM decided in 2019 to wind down the JME's Swedish housing business and complete all ongoing projects. The winding up has continued during 2020 and the risks have decreased over time as the projects have been finally inspected and handed over to the customer.

The winding up of the Swedish house business and the complexity of the ongoing projects in combination with the large element of estimates and assessments during 2020 has made this a key audit matter.

See e.g. the sections "Important sources of uncertainty in estimates", "Revenue and profit/loss in JM Construction in note 1 Accounting and valuation principles as well as note 21 Recognized revenue less progress billings and note 29 Progress billings in excess of recognized revenue."

How our audit addressed the key audit matter

We have evaluated and on a sample basis tested selected controls in JM's project development process, from land purchase to completion. We have also evaluated processes, routines and methodology for decisions on calculations and for project forecasts.

We have performed analytical review procedures of revenue and margins reported, and examined management's routines for follow-up of the projects' financial results. For a selection of projects we have performed simulations of outcome based on different assumptions and we have discussed selected estimates with JM. On a sample basis, we have examined revenue, sales ratio and the recognised project costs forming the basis for the determination of completion ratio. We have also tested mathematical accuracy in the calculation of percentage-of-completion. We have also taken part in several project audits performed by JM's Operational audit and performed site visits on certain projects.

We have evaluated principles, processes and routines for determining recognised warranty obligations and the assumption on which those are based. On a sample basis, we have examined calculations made and in one case made our own calculations based on data provided by JM.

We have discussed, with management and the audit committee, those principles, methods, estimates and assumptions on which JM's judgements are based.

We have evaluated and on a sample basis tested selected controls in JME's project process, from tender to completion. We have also evaluated processes, routines and methodology for decisions on calculations and for project forecasts.

We have performed analytical review procedures of revenue and margins reported, and examined management's routines for follow-up of the projects' financial results. For a selection of projects we have performed more in-depth procedures including reading contract excerpts, legal opinions, review of project forecasts, and discussion with project leaders on judgments, assumptions and estimates.

On a sample basis, we have examined revenue and the recognised project costs forming the basis for the determination of completion ratio. We have also tested mathematical accuracy in the calculation of percentage-of-completion. We have also taken part in several project audits performed by JM's Operational audit and made site visits at certain projects.

We have kept a dialogue with management and the audit committee on the principles, methodology, estimates and assumptions and their basis.

Accounting for the Swedish residential project development operations

During 2018 Nasdaq Stockholm AB (the Stock Exchange) asked JM about the basis for the assessment of the tenant-owners associations' independence from an IFRS perspective. The Stock Exchange's final decision stated that there are differences between various companies' business and contract structures that have bearing on the matter, and that there is room to reach different conclusions. The Stock Exchange noted that the basis for the assessment not to consolidate the tenant-owners associations were not clear enough and thus that there were no clear description of the facts and circumstances that formed the basis for that conclusion. The Stock Exchange therefore criticised JM and as from the 2018 Annual Report JM therefore provides expanded and clearer disclosure about that basis.

JM also communicated that Finansinspektionen (FI) in January 2019 informed JM that FI will investigate the matter and an exchange of letters has subsequently taken place during 2019 and 2020 between JM and FI in this matter.

On 20 May 2020, JM received a decision from FI stating that the tenant-owner associations cannot be considered independent and thus should be consolidated. As a consequence, the revenue should not be recognised over time (percentage of completion) but instead upon delivery to individual byer of tenant owned apartments. The decision from FI stated that JM was prescribed to make a correction in the financial reports.

JM continues to hold the view, as communicated in the response letters submitted to FI in 2019 and 2020, that JM's tenant-owner associations are independent and should not be consolidated. On 9 June 2020, JM appealed FI's decision of 20 May 2020 to the Administrative Court. The process before a final decision can be multi-year. We consider this kind of communication to be, by its nature, a key audit matter.

See the statutory administration report (page 82) and the section "Important assessments when applying accounting principles" in note 1 Accounting and valuation principles.

We have, e.g., read and evaluated the reasoning forming the basis for FI's preliminary view that the tenant-owners associations should be consolidated, as well as the response provided by JM. We have also examined the disclosure JM has provided in the statutory administration report as well as that in note 1 on the basis for its assessment that the tenant-owners associations are independent and therefore should not be consolidated. The latter has also been evaluated as to whether it is appropriate and in accordance with IAS 1 *Presentation of financial statements*.

We have kept a dialogue with management and the audit committee and as a part of that communicated our observations, reflections and their implications. In connection therewith, we have discussed, e.g., the fact that IFRS is a principles-based framework that often requires judgment. As JM states in the Annual Report, this means that in complex matters such as the one at hand, it is not remarkable that different, acceptable judgements can be made.

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and the consolidated accounts and is found on pages 1–76 and pages 122–145. This other information also includes the remuneration report prepared by JM, which we obtained before the date of this audit report. The Board of Directors and the President are responsible for this other information.

Our opinion on the annual accounts and the consolidated accounts does not cover this other information and we do not express any form of assurance conclusion on this other information.

In connection with our audit of the annual accounts and the consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and the consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the President

The Board of Directors and the President are responsible for the preparation of the annual accounts and the consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the President are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and the consoli-

dated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the President are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the President intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The audit committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and the consolidated accounts is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and the consolidated accounts, we have also audited the administration of the Board of Directors and the President of JM AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs

otherwise are controlled in a reassuring manner. The President shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website:

www.revisorsinspektionen.se/revisorsansvar. This description is part of the auditor's report.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of JM AB (publ) by the general meeting of shareholders on March 26, 2020 and has been the company's auditor since April 27, 2017.

Stockholm February 19, 2021
PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Auditor-in-charge

Fredrik Kroon
Authorized Public Accountant

Corporate governance report for the 2020 financial year

CONTENTS

CORPORATE GOVERNANCE PRINCIPLES	122
SHAREHOLDERS AND ANNUAL GENERAL MEETING	
Annual General Meeting	122
Major shareholders	122
Nomination Committee	123
Auditors	123
BOARD OF DIRECTORS	
Composition	124
Independence	124
Duties/Responsibilities	124
Evaluation by the Board of its own work	124
Board's evaluation of the President	124
Important matters during 2020	125
Duties of the Committees	125
BOARD OF DIRECTORS, PRESIDENT AND AUDITORS	126
MANAGEMENT AND COMPANY STRUCTURE	
Executive Management	128
Governance and report structure	128
Order of Delegation – President's right of decision	128
CONTROL FRAMEWORK	
Financial reporting	129
The Board of Directors' description of internal control and risk management of financial reporting	129
Governance structure	129
Control environment	129
Risk assessment	129
Control activities	129
Communication and follow up	130
REMUNERATION PRINCIPLES	
Remuneration to the Board of Directors and Executive Management	130
Convertible program 2020	131
AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT	131

CORPORATE GOVERNANCE PRINCIPLES

In addition to the rules laid down by law or regulation, JM applies the Swedish Code of Corporate Governance (the Code). JM complies with the Code without exception.

Through detailed and transparent accounting, JM will increase the knowledge of shareholders and other stakeholders about how the Board of Directors and the Executive Management operate in order to ensure that shareholders' demands for return on invested capital are met. Priority areas for long-term value creation include high ethical standards, JM's core values and code of conduct, professionalism, transparency and JM's contribution to social development.

JM has been implementing a long-term and systematic project over the past few years to continuously develop its internal governance and control. This project has resulted in, for example, additional enhancements to the company's governance and control with regard to investment, selling and production decisions as well as governance and control during the project implementation phase. Internal governance and control are also exercised through the systematic committee work of the Board. In order to promote the development of the Board, an annual assessment of the Board's work is conducted.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

The General Meeting, which is the Company's highest decision-making body, gives all shareholders the possibility to participate and exercise their influence. The Annual General Meeting (the general meeting at which the Annual Report and the auditors' report on the consolidated accounts are presented) addresses the company's development, and decisions are made on several key issues, such as adoption of the annual report, dividends, discharge of responsibility for the Board, election of auditors, remuneration for the Board and auditors and election of new Board members for the period extending to the next Annual General Meeting.

The Company publishes notification of the Annual General Meeting no earlier than six weeks and no later than four weeks before the meeting. The Company announces the time and place of the Annual General Meeting in connection with the Q3 report, usually in late October. The possibility of foreign shareholders following or participating in the Annual General Meeting through simultaneous interpretation or translation of presented materials into other languages has not been considered necessary since to date, such shareholders have had Swedish representation.

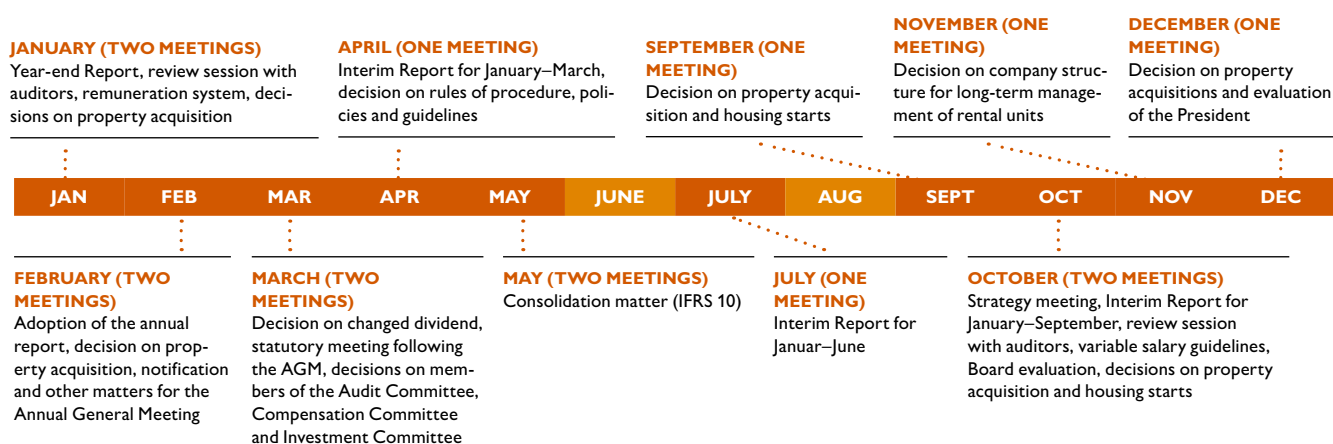
Annual General Meeting

The 2020 Annual General Meeting was held on March 26. A total of 198 shareholders were represented, representing about 56 percent of the total votes. Minutes from the Annual General Meeting can be found on JM's website (jm.se). An extraordinary general meeting was also held on November 23 via absentee ballot. The Extraordinary General Meeting resolved on an additional dividend for 2019 of SEK 6.25 per share according to a previously communicated intention. The 2021 Annual General Meeting will be held on March 24.

Major shareholders

One shareholder, OBOS BBL, has a shareholding in the Company representing at least one-tenth of the voting rights for all shares in the Company. OBOS's holdings of the Company's shares amounted to 20.1 percent on January 31, 2021. JM's Articles of Association do not limit shareholders' voting

BOARD MEETINGS 2020



Fixed items on the agenda of ordinary Board meetings include a status report from the President and updates from the Committees.

rights for any owned or represented shares. The Articles of Association do not contain any provisions on the appointment and dismissal of Board members or on amendments to the articles.

JM does not apply any special arrangements relating to the function of the general meeting of shareholders, either due to provisions in the Articles of Association or, as far as is known to the Company, shareholder agreements.

Nomination Committee

The Nomination Committee is a body elected by the Company's Annual General Meeting that is tasked with nominating Board members, a Chairperson of the Board, and an auditing company as well as proposing fees for the Board, the committees of the Board, and auditors. The work of the Nomination Committee is governed by the instructions for the Nomination Committee as adopted by the Annual General Meeting. This committee consists of representatives for the four largest shareholders in the Company that wish to participate. The Chairperson of the Board is the fifth member and convenes the meeting.

The Chairperson of the Board convened the Nomination Committee for the 2021 Annual General Meeting in August 2020, and the Committee consists of the following people:

Daniel Kjørberg Siraj, OBOS BBL
Anders Oscarsson, AMF Försäkring & Fonder
Marianne Nilsson, Swedbank Robur Fonder
Johannes Wingborg, Länsförsäkringar Fondförvaltning AB
Fredrik Persson, Chairperson of the Board of JM.

The Nomination Committee represents approximately 41.7 percent of the total number of JM shares. Anders Oscarsson is Chairperson of the Nomination Committee. The Nomination Committee held six minuted meetings and also corresponded by email and telephone. Members of the Nomination Committee have not received any compensation from JM.

Auditors

Following a proposal by the Nomination Committee, the 2020 Annual General Meeting elected PricewaterhouseCoopers AB (PwC) to be the auditor. The election covers the period up until the end of the 2021 Annual General Meeting. Auditor-in-charge is Ann-Christine Hägglund and the auditor's report is also signed by Fredrik Kroon. They have no other assignments that affect their independence as an auditor for JM.

Fees and remuneration to PwC	2020	2019
Auditing services	5.5	4.7
Tax services	0.1	0.1
Other services	2.4	1.4
Total	8.0	6.2

Information about the auditing company's services to JM in addition to auditing is provided in Note 5 on page 98.

DUTIES/RESPONSIBILITIES

The Board's duties concern strategic issues such as JM's business concept, key policies, the market, finance and financial position, internal control and risk management, personnel, leadership and decisions concerning production starts of projects, acquisition and sale of development properties and project properties.

New-elects to the Board of Directors are introduced to the company's operations and the work of the Board as required and according to that below.

BOARD OF DIRECTORS**Composition**

According to the Articles of Association, JM's Board of Directors shall consist of a minimum of five and a maximum of nine members. No deputies shall be appointed. The members of the Board of Directors are elected by the Annual General Meeting for one year at a time. In addition, the employee organizations are legally entitled to appoint two ordinary members as well as two deputies.

The Nomination Committee has applied Code Rule 4.1 as its diversity policy for the Board. The Nomination Committee determined the following in its reasoned statement prior to the 2020 Annual General Meeting: The Nomination Committee considers JM to have a well-functioning Board of Directors and that the current composition of the Board, given the Company's operations, development stage and circumstances in general, is appropriate and features diversity and breadth with regard to the members' competence, experience and background. The Nomination Committee also considers it to be valuable to have a balance of both continuity and renewal within the Board. The Nomination Committee's proposal for the Board entails the new election of one Member, Camilla Krogh, who has relevant experience for JM. The circumstance that JM and OBOS in part conduct competing business has been carefully considered, and the Nomination Committee and the Chairperson of the Board have discussed whether this circumstance can be managed through clear secrecy structures without having an adverse impact on the Board's method of working. The Nomination Committee has thus noted in particular in its considerations that Camilla Krogh does not hold a management position in OBOS or in any business that competes with JM.

The proposed Board has broad experience and skills, including for relevant sustainability aspects, within areas that are important for JM, such as housing and property development, project development and construction activities, consumer markets, finance, and good knowledge of geographic markets that are relevant for the Company. The Nomination Committee has applied Code Rule 4.1 as its diversity policy. It can be noted that JM has had an even gender distribution in its Board of Directors for many years, and the members proposed to the Annual General Meeting include four women and four men. The proposal thus fulfills the requirements of the Code for an even gender distribution.

The 2020 Annual General Meeting resolved to elect the eight members proposed by the Nomination Committee.

The employee organizations appointed two members and two deputies. The composition of the Board of Directors is presented on pages 126–127, as is participation by the members elected by the Annual General Meeting in committees (A = Audit Committee, C = Compensation Committee, I = Investment Committee). Attendance during the 2020 calendar year is also presented.

The Board of Directors held fifteen meetings. The Audit Committee held nine meetings. The Compensation Committee held four meetings. The Investment Committee held five meetings.

Independence

All Board members elected at the Annual General Meeting are considered independent in relation to the Company and all are independent in relation to the shareholders.

Duties/Responsibilities

The most important governing documents are:

- Strategic focus
- Articles of Association
- Rules of Procedure for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, and Instructions for Financial Reporting
- JM's policies (Sustainability Policy, Data Protection Policy, Information Security Policy, Employee Policy, Work Environment Policy, Communication Policy, Financial Policy, Tax Policy and Purchasing Policy)
- JM's ethical guidelines, JM's Code of Conduct, guidelines to prevent discrimination, guidelines for communication and guidelines for purchasing.

Duties of the Chairperson of the Board of Directors

The Chairperson of JM's Board of Directors bears the ultimate responsibility for the Company complying with the established strategic focus. In this context, the Chairperson has regular contact with the Company's President and serves as a discussion partner to the President. The work of the Chairperson otherwise complies with the requirements of the Code.

Secretary to the Board

The Company's General Counsel is the Secretary to the Board. The General Counsel is not a member of the Board of Directors.

Evaluation by the Board of its own work

The performance of the Board of Directors is evaluated every fall. In 2020, the evaluation consisted of a paper survey that was sent to all Board members. The results of the evaluation were discussed and presented to the Board and the Nomination Committee.

The Board's evaluation of the President

The Board of Directors evaluates the President's performance annually. In 2020, the evaluation consisted of a paper survey that was sent to all Board members. The results of the evaluation of the President were discussed and presented to the Board.

Important matters during 2020

The Board of Directors made the following decisions and others in 2020:

- The Board of Directors held a separate strategy meeting at which it adopted the strategic plan for the Company
- The Board of Directors decided on housing starts for two residential projects, which have an estimated total project expense exceeding the maximum level delegated to the President of either SEK 400m in the total project expense or SEK 400m in project expense per phase
- The Board of Directors decided on five acquisitions of development properties and one acquisition of a project property, which have a purchase sum exceeding the maximum level delegated to the President of SEK 100m
- The Board of Directors decided to start a company structure for long-term management of rental units
- The Board of Directors decided to appeal Finansinspektionen's decision in the so-called consolidation issue

- The Board decided on short-term and long-term variable salary programs and proposed to the Annual General Meeting a convertible debenture program for all employees in Sweden
- The Board decided on JM's existing policies and guidelines and adopted a Data Protection Policy.

The Board of Directors has also approved the operational strategy to safeguard cash flow and production capacity as well as the transition contingency plan developed due to COVID-19.

Duties of the Committees

The committees usually meet in conjunction with Board meetings or when necessary. Minutes are kept and shared with the Board of Directors and the auditors. Verbal accounts are provided at Board meetings about the topics discussed at committee meetings. There is no delegated right of decision with the exception of:

- The Compensation Committee, which approves salaries and other terms and conditions for Executive Management, excluding the President
- The Audit Committee approves fees and compensation to the external auditors for auditing work as well as the external auditor's provision of services other than auditing. The Audit Committee starts more in-depth initiatives in selected areas or projects.

All Board members elected by the Annual General Meeting are also members in one or several committees. The Chairperson of the Board chairs the Compensation Committee. The Chairperson of the Audit Committee is Thomas Thuresson, and the Chairperson of the Investment Committee is Olav Line.

The Director of Human Resources reports for the Compensation Committee. Each business unit manager reports for the Investment Committee. The Chief Financial Officer reports for the Audit Committee. The President attends the meetings of the Compensation Committee and the Investment Committee.

Audit Committee

The Audit Committee has three members: Thomas Thuresson (Chairperson), Fredrik Persson and Annica Ånäs. The committee held nine meetings during the calendar year.

The work of the Audit Committee during the year was primarily focused on:

- Review and analysis of financial statements, interim reports and Annual Report
- Quality assessment of internal control systems, control procedures, the Internal Audit and risk management
- Review of the audit plan of the external auditors and other internal planning for internal audits and risk management
- Preparation of the Corporate Governance Report and the Board of Directors' report on internal control of financial reporting
- Recommendation for the election of external auditors in consultation with Executive Management, the Board of Directors and the

Nomination Committee prior to the Committee's recommendation for the Annual General Meeting

- Review and monitoring of the auditor's impartiality and independence regarding approval of fees and compensation to the auditors for auditing work as well as advance approval of the auditor's provision of services other than auditing
- Monitored the statutory audit
- Initiation of in-depth initiatives within select areas
- Progress reporting and review of areas or projects of special interest
- Reporting and presentation to the Board of Directors of observations noted during review sessions with auditors and management
- Otherwise completed the tasks placed on the Audit Committee according to applicable laws, ordinances and the Swedish Code of Corporate Governance.

Compensation Committee

The Compensation Committee has three members: Fredrik Persson (Chairperson), Eva Nygren and Kaj-Gustaf Bergh.

The Committee held four meetings during the calendar year.

The Compensation Committee's tasks during the year were to:

- Prepare recommendations for salary, pension benefits and other terms and conditions for the President of the Company
- Prepare recommendations relating to general principles for remuneration to all other employees, especially in terms of variable compensation
- Prepare recommendations for convertible program that will be presented to the Annual General Meeting
- Approve salary and other terms and conditions for the Executive Management (excluding the President), based on Board-approved general principles
- Evaluate current programs for variable compensation for Executive Management.
- Evaluate the application of the guidelines for remuneration to Executive Management resolved by the Annual General Meeting as well as applicable remuneration structures and remuneration levels in the Company.

Investment Committee

The Investment Committee has three members: Olav Line (Chairperson), Eva Nygren and Kerstin Gillsbro.

The committee held five meetings during the calendar year.

The Investment Committee's duties during the year, within the framework of JM's order of delegation, have been to:

- Evaluate that the strategy for scope and focus pertaining to development properties and project properties is followed
- Prepare recommendations to purchase or sell development properties and project properties or shares and participations in companies as owner of such properties
- Prepare recommendations relating to investments in existing project properties
- Prepare recommendations relating to housing starts
- Prepare recommendations relating to external contract work.

Board of Directors, CEO and Auditors



Fredrik Persson



Kaj-Gustaf Bergh



Kerstin Gillsbro



Camilla Krogh

BORN	Born in 1968	Born in 1955	Born in 1961	Born in 1977
NATIONALITY	Swedish	Finnish	Swedish	Norwegian
SIZE OF HOLDING¹⁾	Shares in JM: 4,000	Shares in JM: 5,800	Shares in JM: 1,250	Shares in JM: 0
IN JM AS	<ul style="list-style-type: none"> ● Board of Directors, Chair Elected to the Board in 2017 ● Compensation Committee, Chair ● Audit Committee, Member. Attendance: ● 15 of 15 ● 4 of 4 ● 8 of 9 Total annual fees: SEK 1,000,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2013 ● Compensation Committee, Member. Attendance: ● 15 of 15 ● 4 of 4 Total annual fees: SEK 400,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2019 ● Investment Committee, Member. Attendance: ● 13 of 15 ● 5 of 5 Total annual fees: SEK 410,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2020 Attendance: ● 10 of 15 Total annual fees: SEK 168,000
MEMBER'S INDEPENDENCE	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.
EDUCATION	MSc. Econ., Stockholm School of Economics.	LL.M. and B.Sc. Econ.	MSc. Eng.	MSc. Eng. Executive MBA, Norwegian School of Economics.
WORK EXPERIENCE	Long career at Axel Johnson AB, including as CFO and then as President and CEO. Previously at Aros Securities and ABB Financial Services.	15 years at Gyllenberg and SEB. 12 years as CEO of Föreningen Konstsamfundet in Finland.	Previously at NCC, most recently as the CEO of NCC Boende AB.	The OBOS Group 2018–2020, most recently as CEO of Construction City Eiendom and Ulven AS. Previously at Skanska Norway.
OTHER SIGNIFICANT ASSIGNMENTS	Chairman of the Board of the Confederation of Swedish Enterprise and AB Ellevio AB. Board member of AB Electrolux, Hufvudstaden AB, Interogo Holding AG, ICA Gruppen AB and Ahlström Capital OY.	Chairman of the Board of Ab Tallberg Oy. Member of the Board of Pensionsförsäkringsaktiebolaget Veritas.	CEO of Jernhusen AB since 2011. Board Member at Christian Berner Tech Trade AB, Förtroenderådet SNS and Sweden Green Building Council.	CEO of Ferd Eiendom AS.

¹⁾ Shareholdings pertain to personal holdings or a related natural or legal person's holdings of JM AB shares and other financial instruments as at 2/12/2021.

Employee representatives



Jan Strömberg
Employee representative
Born in 1959. MSc. Eng.
Member since 2015
Shares in JM: 2,000
Convertibles: SEK 1,124,868
Attendance: 15 of 15



Peter Olsson
Employee representative
Born in 1977. Carpenter.
Deputy since 2014, Member since April 2018
Shares in JM: 0
Convertibles: SEK 0
Attendance: 15 of 15



Jonny Ånges
Employee representative
Born in 1962. Construction engineer.
Deputy since 2015
Shares in JM: 0
Convertibles: SEK 0
Attendance: 15 of 15.



Per Petersén
Employee representative
Born in 1970. Bricklayer.
Deputy since April 2018
Shares in JM: 0
Convertibles: SEK 0
Attendance: 15 of 15



Olav Line	Eva Nygren	Thomas Thuresson	Annica Ånäs	Johan Skoglund
Born in 1958	Born in 1955	Born in 1957	Born in 1971	Born in 1962
Norwegian	Swedish	Swedish	Swedish	Swedish
Shares in JM: 800	Shares in JM: 1,000	Shares in JM: 1,500	Shares in JM: 1,250	Shares in JM: 50,000. Convertibles in JM: SEK 8,493,062
<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2017 ● Investment Committee, Chair. Attendance: ● 14 of 15 ● 5 of 5 Total annual fees: SEK 435,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2013 ● Investment Committee, Member ● Compensation Committee, Member. Attendance: ● 15 of 15 ● 5 of 5 ● 4 of 4 Total annual fees: SEK 475,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2016 ● Audit Committee, Chair Attendance: ● 14 of 15 ● 9 of 9 Total annual fees: SEK 460,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2019 ● Audit Committee, Member Attendance: ● 15 of 15 ● 9 of 9 Total annual fees: SEK 430,000 	President and CEO of JM AB
The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	
MSc. Eng. NTH (NTNU), Trondheim.	Architect, Chalmers University of Technology.	MSc. Econ., Lund University. IMD (BPSE).	LL.M, B.Sc. Econ.	MSc. Eng., KTH Royal Institute of Technology, Stockholm, MSc. Program, Stockholm School of Economics.
30 years of experience from the property industry in Norway and Scandinavia, such as CEO of Rom Eiendom AS, Steen & Strøm AS and Norwegian Property AS.	37 years of experience in the building and civil engineering industry, including as Director of Investment, Swedish Transport Administration, President and CEO of Rejlers and President of SWECO Sverige.	29 years in different positions within the Alfa Laval Group, for 26 years as CFO.	CFO of Atrium Ljungberg AB. CFO of Hemsö AB and auditor at Deloitte. Experience from other Board assignments, such as the Finnish listed property company Technopolis Oyj.	34 years in various positions, such as site engineer, project manager, regional manager and business unit manager. President and CEO since 2002.
CEO of Mustad Eiendom AS	Chairperson of Brandkonsulten AB. Member of the Board of Swedavia AB, Troax Group AB, Ballingslöv International AB, Nye Veier AS, Tyréns AB, Diös AB and NRC Group ASA.	President of Tetra Laval Real Estate AB. Chairperson of Terratech Group AB. Member of the Board of Proact IT Group AB (publ), Solix Group AB and Skiold A/S.	CEO of Atrium Ljungberg AB since 2016. Member of the Board of Swedavia AB.	Board member of The Confederation of Swedish Enterprise and Mentor Sverige, Chair of the Board of Polhem Infra.

Kia Orback Pettersson was a Member of the Board of Directors and the Audit Committee up to the Annual General Meeting and attended all Board meetings and meetings of the Audit Committee up to the Annual General Meeting. Åsa Söderström Winberg was a Member of the Board of directors and the Audit Committee and the Chairperson of the Investment Committee up to the Annual General Meeting and attended all Board meetings and Committee meetings up to the Annual General Meeting.

Secretary to the Board

Maria Bäckman
Chief Legal Counsel at JM AB
Born in 1973.
Secretary to the Board of Directors since 2012.
Shares in JM: 1,100
Convertibles: SEK 1,581,356

Auditors – PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant, Auditor-in-charge. Born in 1966. Other assignments: Auditor-in-charge at NCC, Byggmax and Business Sweden and others.

Fredrik Kroon
Authorized Public Accountant.
Born in 1985. Other assignments: Co-signing auditors in, for example, HSB Riksförbund and audit leader NCC within the business area Infrastructure.

The Annual General Meeting held in March 2020 elected PwC auditor of JM AB.

MANAGEMENT AND COMPANY STRUCTURE

Executive Management

JM's business is operationally divided into six business units. Each business unit manager reports directly to the President. In the financial reporting, JM Norway and JM Finland form the JM International business segment.

Executive Management comprises the President, all heads of business units and heads of group staffs, a total of ten people, and meets at least once a month. Management responsibility includes always working to ensure compliance with guidelines issued by the Board and the President.

The report structure is presented on the next side.

Governance and report structure

At JM, a large number of projects are in production at any given time. It is not unusual for a project to involve more than 100 people and have estimated volumes of more than SEK 100m.

Every project is run by a project manager who is responsible for the project's revenue and expenses. The project manager reports to the regional manager who is directly subordinate to the business unit manager. All these people have profit responsibility. The business unit manager is responsible for deciding the revenue level in the projects.

Decisions to begin work on a project are made by business unit management or Executive Management; for major projects such decisions are made by the Board. Follow-up of sold and reserved residential units occurs on a weekly basis, with reporting to the regional manager, business unit manager and President. Complete analyses and reconciliation of each project's revenue and expenses are performed every quarter.

More intense monitoring routines have been introduced for large projects. The business unit manager and the regional manager/head of subsidiary present quarterly reports to the President, the CFO and the person responsible for JM's Internal Audit function. Assessment data include the financial history of the project, future anticipated revenue and expenses and the current sales and reservations level.

The largest projects have special steering groups and are audited by JM's Internal Audit function and presented in the Audit Committee.

The governance structure can be seen below:

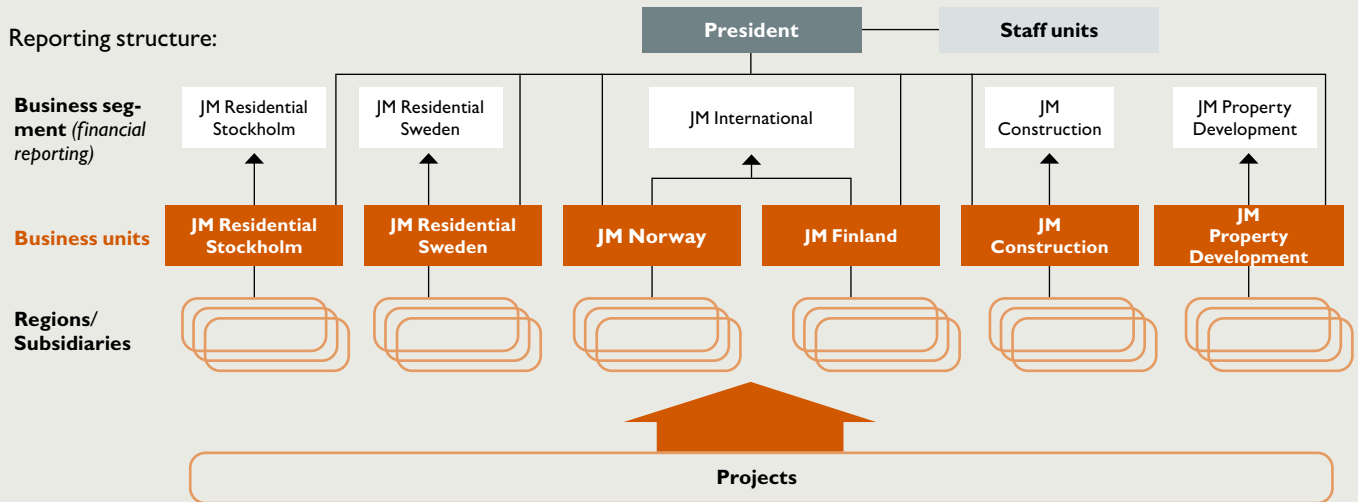


Order of delegation – President's right of decision

The Board has delegated to the President the right of decision for:

- Purchases and sales of development and project properties up to SEK 100m
- Investments in existing project property up to SEK 400m for implementation of housing projects, or SEK 200m for implementation of office projects
- Housing starts for residential projects, up to a total project expense of SEK 400m excluding the purchase price for the property and housing starts of individual stages up to SEK 400m
- Submission of tenders and if won signing external contracting contracts up to SEK 400m
- Raising of new loans that are not linked to acquisition of a property, up to a total of SEK 400m per year for loans with a maturity shorter than one year, up to a total of SEK 250m per year for loans with maturities between one and ten years.

The Board makes the decision in other cases. These amounts are chosen to meet the Board's needs to exercise control and management's need for freedom of action. The President has the right to further delegate some of the above decision rights. Matters requiring decisions are



prepared in part by the Business Committee, consisting of business unit and regional managers from the entire Group, and by the Executive Management. JM's operations as well as its governance and report structure are presented above.

CONTROL FRAMEWORK

Financial reporting

The President shall ensure that the Board receives progress reports on JM's operations, including JM's financial performance, financial position and liquidity as well as information about the status of larger projects and other significant events. These reports shall be of such a nature that the Board can make a well-informed evaluation. The financial reports the Board receives are presented in the Communication and Monitoring section on page 130.

The Board of Directors' description of internal control and risk management of financial reporting

Governance structure

The Board has ultimate responsibility for establishing an effective internal control and risk management system. The responsibility for maintaining an effective control environment and regular work with internal control and risk management is delegated to the President. Risk management is an integrated part of decision-making at all levels within JM and incorporated as a natural element in JM's business processes.

For a detailed description of JM's risk management procedures please refer to pages 32–37 and 83.

The Board has placed particular focus on effective control structures. The quality of JM's processes and systems for ensuring good internal control is based on the control environment, which includes the Board's adopted rules of procedure and instructions for financial reporting. The Audit Committee facilitates closer contact between the Board and the external auditors and Internal Audit, enabling the Board and its committees to learn about the Company's financial position in different ways. The Audit Committee meets four to five times a year. The external auditors also participate in Board meetings twice a year.

The main task of JM's central Internal Audit function is to examine the suitability of the operations and their efficiency by checking compliance with business-critical requirements in JM's Operations System. JM's Operations System is a comprehensive process-oriented work structure with the purpose of ensuring the efficiency of JM's business processes. The Internal Audit has the special task of examining the financial risks associated with larger projects. The Board ensures that JM has solid project and financial management through the work of Audit Committee.

As part of the objective to develop standardized working methods and processes within the Group, work is ongoing to achieve Structured Project Development (see page 30 for more information). JM's management and support processes are regularly reviewed as a means to further systematize JM's structural capital in the form of processes, documentation and systems, thus facilitating the work of all employees.

A Code of Conduct has been implemented for JM employees. Its objective is to clarify and provide guidance for the values that should be followed at JM. The Whistleblower Function ensures the reporting of suspected irregularities, and the Ethical Council provides guidance in the

event of difficulties interpreting the ethical guidelines and JM's Code of Conduct.

A plan was implemented earlier for the follow-up of compliance with JM's Code of Conduct for suppliers.

Control environment

JM's core values and corporate culture comprise the basis of internal controls with respect to financial reporting. Control environment refers to both the infrastructure with system support that was built for internal control and governance as well as JM's core values. The control environment consists, for example, of the organization, channels for decisions, authorities and responsibilities documented and communicated in normative documents such as internal policies, guidelines, manuals and codes. Examples include the allocation of duties between the Board and the President and other bodies the Board establishes, the order of delegation and authorization regulations, instructions for approval powers and accounting and reporting instructions.

Risk assessment

The Company applies a method or process for risk assessment and risk management to ensure that those risks to which the Company is exposed are managed within the established frames and that the risks are handled within the framework of existing processes/systems. JM's Operations System, which describes JM's business from a process perspective with established business-critical requirements, along with procedures for control, monitoring and follow-up of projects, comprises an important element of risk management.

Control activities

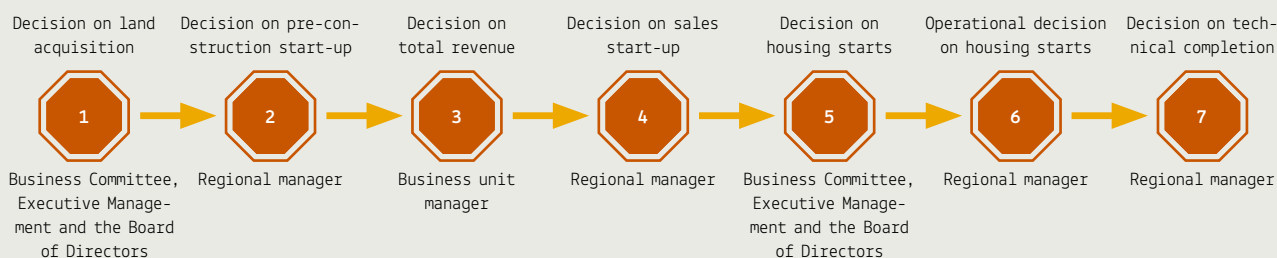
The risks identified with respect to financial reporting are managed via the Company's control activities, which are documented in process and procedure descriptions. These are in JM's Operations System, which governs a unified process and the use of a common business system. The purpose of control activities is to continually improve while preventing, detecting and correcting errors and deviations.

Examples of control activities in which risk assessments are managed:

- The Operations System that documents the operation's processes and established business-critical demands
- Project reviews before initiating acquisitions, pre-construction, production and sales starts
- Business committee meetings and Group Executive Management meetings preparing for investments in properties and initiation of residential production projects. Business unit managers, heads of corporate staff units and regional managers/subsidiary managers participate at these meetings (monthly)
- Forecast reviews with business unit managers (quarterly)
- Close monitoring of large projects at which the President, CFO, head of the Internal Audit, business unit managers and regional managers/subsidiary managers participate (quarterly)
- Group management meetings in larger projects (quarterly)
- Board meetings at subsidiaries
- The Internal Audit's review and control of the business-critical requirements and review of the economic risks in the larger projects (ongoing)

The decision process can be seen below:

DECISION GATES IN STRUCTURED PROJECT DEVELOPMENT



- Special review of compliance with JM's Code of Conduct for suppliers through, for example, on-site visits
- The Whistleblower Function ensures systematic and professional management of reported irregularities
- Ethical Council, which provides guidance in the event of difficulties interpreting the ethical guidelines and JM's Code of Conduct.

Communication and Follow-up

The Company has implemented information and communication channels to encourage completeness and accuracy in financial reporting; for example, by notifying concerned personnel about normative documents such as internal policies, guidelines, manuals and codes for financial reporting through JM's Intranet and Operations System.

The external auditors report their audit of internal control to the Board once a year in connection with the reporting of the third quarter.

JM's principal normative documents are the Rules of Procedure for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, Instructions for Financial Reporting and JM's Authorization Regulations.

Other normative documents such as policies, guidelines, instructions and manuals for financial reporting are available on JM's Intranet as well as in the Operations System.

The most important documents for financial reporting are:

- JM's Authorization Regulations
- Schedule and instructions for forecasts and financial statements
- Financial statement and forecast processes
- Instructions for purchases and sales
- Treasury Policy
- Controlling within JM
- Accounting principles
- Procedure descriptions.

The Board of Directors receives financial reports in conjunction with the interim reports.

In addition to the outcome and forecast reports, the Audit Committee receives financial audit reports for larger projects. In connection with the delegation rules, the Board of Directors/Investment Committee receive regular estimates regarding acquisition and project investments and purchases/sales of properties. In addition, the Board of Directors' various Committees serve an important function in follow-up of activities.

The Board follows up and continuously reviews internal control to ensure that it works satisfactorily through the Company's central Internal Audit function. The results of the conducted audits and proposals for any measures that need to be taken are regularly reported to the Audit Committee. The Board of Directors also receives the opinions from the Company's external auditors.

REMUNERATION PRINCIPLES

Remuneration to the Board of Directors and Executive Management

Following a proposal from the Nomination Committee, the 2020 Annual General Meeting decided on unchanged fees to the Board Members who are not employed by the Company as follows:

- remuneration will be SEK 840,000 to the Chairperson of the Board of Directors and SEK 335,000 to regular Board members who are not employed by the Company;
- remuneration for work in the Audit Committee will be SEK 125,000 to the Chairperson and SEK 95,000 to the members;
- remuneration for work in the Investment Committee will be SEK 100,000 to the Chairperson and SEK 75,000 to the members;
- remuneration for work in the Compensation Committee will be SEK 65,000 to the Chairperson and each member.

The Annual General Meeting 2020 resolved on guidelines for remuneration to the senior executives that should apply until the Annual General Meeting 2024 unless circumstances arise that require an earlier revision. The Board of Directors will decide on salary, pension benefits and other remuneration for the President, and the Compensation Committee decides on such matters for the Executive Management excluding the President. Information about remuneration guidelines for JM's Executive Management can be found in the Board of Directors' Report on pages 80–81. Information about remuneration to the President and Executive Management can be found in Note 3 on page 96 of the Group Notes.

About 500 of JM's managers and leaders, including the President and Executive Management, are covered by a performance-based part of the salary system. The total salary comprises a basic and a variable component with a maximum result for the short-term variable component that, depending on position, varies between one and five monthly salaries. In addition to the financial result of the operations, which carries the greatest weight, the variable salary component is also based on individual target fulfillment, work environment targets and the Customer Satisfaction Index. The principle is that the basic salary combined with a normal result for the variable component should result in a competitive salary. A long-term variable remuneration program is available to 20 to 30 key staff members in addition to the Executive Management.

2020 Convertible program

The 2020 Annual General Meeting resolved that JM would raise a debenture loan with a maximum nominal value of SEK 230,000,000 by issuing a maximum of 645,000 convertible debentures aimed at all employees in Sweden. The purpose of the 2020 Convertible Program is to enhance and strengthen the employee's interest in JM's operations and future financial performance through an ownership commitment. Increased employee motivation and participation in JM's operations is in the interest of the

Company, the employees and existing shareholders. Upon expiry of the subscription period, the loan amounts to about SEK 34m through the issue of approximately 157,000 convertible debentures. In accordance with IAS 32, the liability and equity components of the convertible debenture loan are reported separately, which means that the debenture loan is initially reported in the balance sheet as a liability with the nominal amount excluding the equity component. The convertible debenture loan was settled against cash in June 2020. The subscribed convertible bonds may be converted to one ordinary share at a price of SEK 217. Conversion of convertible bonds may occur during the period from June 1, 2023, through April 24, 2024, with the exclusion of the period January 1 through the record date for dividends each year, or if the Annual General Meeting should not resolve on a dividend one year, the date that falls three banking days after the Annual General Meeting. Through conversion of convertibles, JM's share capital could increase by a maximum of SEK 157,067 through the issue of a maximum of 157,067 ordinary shares, each with a par value of SEK 1. This corresponds to dilution of about 0.2 percent of the shares and votes in the Company. The convertible debenture loan falls due for payment on May 27, 2024, insofar as conversion has not already been undertaken.

Stockholm, February 12, 2021
Board of Directors

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders of JM AB, corporate identity number 556045-2103.

Engagement and responsibility

The Board of Directors is responsible for the Corporate Governance Report for the year 2020 on pages 122–131 and that it has been prepared in accordance with the Annual Accounts Act.

Scope of the examination

Our examination has been conducted in accordance with FAR's standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that our review provides a reasonable basis for our opinion set out below.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 second paragraph of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, February 19, 2021

PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized public accountant
Auditor-in-charge

Fredrik Kroon
Authorized public accountant

Executive Management



Johan Skoglund



Martin Asp



Maria Bäckman



Malin Lundgren



Per Lundquist

IN JM AS	President and CEO	Business Unit Manager JM Norway and JM Finland. President of JM Norge AS	Chief Legal Counsel, Legal Affairs and Development	Director Human Resources	Director of Operations Development (Quality and Environment, Technology and IT)
EMPLOYED IN	1986	1996	2000	2020	2016
JOINED EXECUTIVE MANAGEMENT	2000	2011	2012	2020	2016
SHARES IN JM¹⁾	50,000	7,000	1,100	0	2,500
CONVERTIBLES IN JM	SEK 8,493,062	SEK 4,064,850	SEK 1,581,356	0	SEK 4,064,850
BORN	1962	1973	1973	1978	1967
EDUCATION	MSc. Eng., KTH Royal Institute of Technology, Stockholm, 1986; MSc. Program, Stockholm School of Economics, 1998.	MSc. Eng., LTU, 1997. MSc. Program, Stockholm School of Economics, 2000. BA Economics, Stockholm University, 2010.	LL.B., Stockholm University, 1997.	BA Uppsala University, 2005. Executive Management Program, Stockholm School of Economics, 2019.	MSc. Eng., Institute of Technology at Linköping University, Applied Physics and Electrical Engineering, 1993.
PREVIOUS POSITIONS	34 years in various positions, such as site engineer, project manager, regional manager and business unit manager. President and CEO since 2002.	Foreman, pre-construction manager and project manager at JM and President of Kvarnholmen Utveckling AB.	Trainee Lawyer, Advokatfirman Lindahl. Clerk, District Court of Uppsala.	Various HR positions within NCC Group 1999–2016, Head of HR at Bonava Sverige 2016–2018, Head of HR at Klöver 2018–2020.	Senior Vice President Operations at Cramo AB. Toyota Material Handling Europe and Toyota Industries and Cap Gemini.
OTHER SIGNIFICANT ASSIGNMENTS	Board member of The Confederation of Swedish Enterprise and Mentor Sverige, Chair of the Board of Polhem Infra AB.	Chair of the Board of JM Suomi Oy.			Board member of JM Norway AS and JM Suomi Oy.

¹⁾ Shareholdings as of 2/12/2021.

Sören Bergström, Business Unit Manager JM Construction, was a member of Executive Management January 2001 to June 2020.
Helena Söderberg, Director Human Resources was a member of Executive Management January 2010 to July 2020.



Susanne Persson

Business Unit Manager JM Residential Sweden



Pär Vennerström

Business Unit Manager JM Residential Stockholm



Anders Wimmerstedt

Production Director and Business Unit Manager, JM Construction



Claes Magnus Åkesson

Chief Financial Officer and Head of Investor Relations



Mikael Åslund

Affärsenhetschef JM Fastighetsutveckling

2013	2001	1984	1998	2000
2018	2014	2018	1998	2020
1,957	4,200	0	27,774	1,000
SEK 491,820	SEK 0	SEK 817,530	SEK 5,694,306	SEK 1,439,662
1969	1974	1964	1959	1972
MSc Eng., Faculty of Engineering LTH at Lund University, 1992. Bachelor of Science Ecole National de Ponts et Chaussées Paris.	MSc. Eng., KTH Royal Institute of Technology, Roads and Water, 1999. Executive Management Program, Stockholm School of Economics, 2015.	Construction engineer. Executive Management Program, Stockholm School of Economics, 2017.	MSc. Econ., Stockholm School of Economics, 1984. Advanced Management Programme, INSEAD, France.	MSc. Eng., LTU, Roads and Water, 1997. MSc. Program, Stockholm School of Economics, 2005. Executive Management Program, Stockholm School of Economics, 2017.
Skanska Group as a trainee, project engineer; business manager and regional manager; PEAB Sweden as regional manager. Regional Manager, South Region, JM Residential Sweden, 2013–2017. Business Unit Manager JM Residential Sweden 2018–.	Project Manager JM, Regional Manager JM Stockholm Northwest 2008–2009, Regional Manager JM Stockholm South 2009–2014.	35 years in various positions at JM, including project manager, work supervisor and production manager. Since 2011 the Head of Stockholm Production with overall responsibility for the development of production operations in JM Residential.	Ericsson Group, 1987–1998: Senior Controller Asia, Head of Finance and Treasury Malaysia and Region Controller Asia.	Quality Manager, Pre-construction Manager and Project Manager at JM, Regional Manager JM Stockholm City Region 2009–2020.
Chair of the Board of JM Norway AS. Board member of Borätt AB, Seniorgården AB and Midway Holding AB, and member of the Swedish Construction Federation Board.	Chair of the Board of JM Construction AB and Board member of JM@Home AB, Borätt AB and Seniorgården AB.	Board member of JM Norway AS, JM Suomi Oy and JM Entreprenad AB.	Chair of the Board of JM@Home AB. Board member of JM Norway AS, Concentric AB and Handicare AB.	Chair of the Board of Seniorgården AB and Borätt AB, Board member of JM@Home AB.

Gradually raised dividend to shareholders

SHARE CAPITAL

The JM share is listed on Nasdaq Stockholm, Large Cap segment. The share capital amounts to SEK 69.6m, represented by 69.6 million shares, each with a par value of SEK 1 and equal voting rights.

GOAL FOR SHAREHOLDER VALUE

JM's shareholders will receive a higher total return, the total of the dividend and increased value, than shareholders in companies with a similar risk profile and business activities.

SHARE PRICE TREND AND RETURN

The JM share is included in the "SX351010 Real Estate Investment & Services" Index of Nasdaq Stockholm. During 2020, the JM share price increased by 5 percent compared to an decrease of 6 percent for SX351010. The general index on the Nasdaq Stockholm Stock Exchange, OMX Stockholm_PI, increased by 13 percent in 2020. The highest listed price for the JM share during the year was SEK 313.30 on February 4 and the lowest was SEK 153.50 on March 23. Dividend yield, proposed dividend in relation to the market price at the end of the year, was 4.4 percent (4.5). Total return in 2020 was 9 percent (67).

TRADING AND MARKET CAPITALIZATION

JM shares were traded for a value of SEK 23.7bn (22.5) in 2020. Average daily trading was about SEK 94m (90). The turnover rate, the liquidity of the share, was 149 percent (151). The Company's market capitalization amounted to SEK 20.2bn (19.3) at the end of the year.

OWNERSHIP STRUCTURE

The number of shareholders as of December 31, 2020, was 21,796 (20,383). The ten largest shareholders accounted for 57.4 percent (59.5) of capital. Foreign shareholders represent 47.4 percent (52.4) and Swedish shareholders 52.6 percent (47.6) of the capital.

DIVIDEND POLICY

Over time, the dividend should reflect the earnings trend in total operating activities. The average dividend over a business cycle should correspond to 50 percent of consolidated profit after tax. Capital gains from property sales are a natural part of JM's project development operations and are therefore included in the calculation of dividends. The proposed dividend for 2020 amounts to SEK 12.75 (12.50) per share.

REPURCHASE OF TREASURY SHARES

The strong balance sheet and cash flow enable capital transfer to shareholders in addition to regular dividends. In light of this, the Board of Directors will propose that the Annual General Meeting resolve to authorize the Board of Directors, during the period up to the next Annual General Meeting and on one or more occasions, to make a resolution on buying back shares so that the Company's holdings do not at any point in time exceed 10 percent of all the shares in the Company. Acquisition should take place on Nasdaq Stockholm within the applicable share-price interval at the time of purchase.

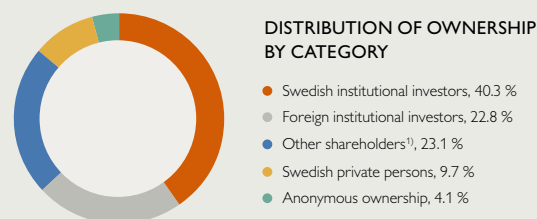
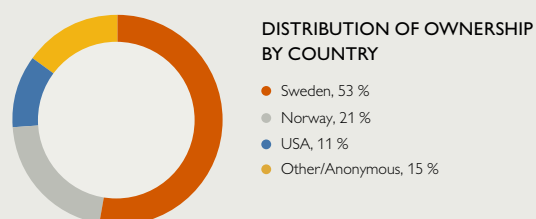
Transfer to shareholders, SEK m	Dividend	Buy-back	Total
2011	375	–	375
2012	542	359	901
2013	537	517	1,054
2014	558	500	1,058
2015	600	500	1,100
2016	602	500	1,102
2017	675	500	1,175
2018	765	–	765
2019	835	–	835
2020	870	–	870
Total	6,359	2,876	9,235

Total return, %	2020	Average per year 2016–2020	Average per year 2011–2020
JM	9	8	11
Nasdaq Stockholm	15	12	11

Total return JM, 2011–2020	%	Index
2020	9	280
2019	67	256
2018	–2	153
2017	–25	156
2016	7	208
2015	5	194
2014	41	185
2013	62	131
2012	9	81
2011	–26	74
1/1/2011	–	100
Average, 5 years		8
Average, 10 years		11

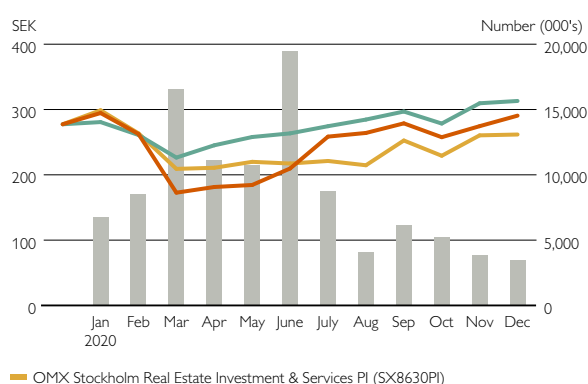
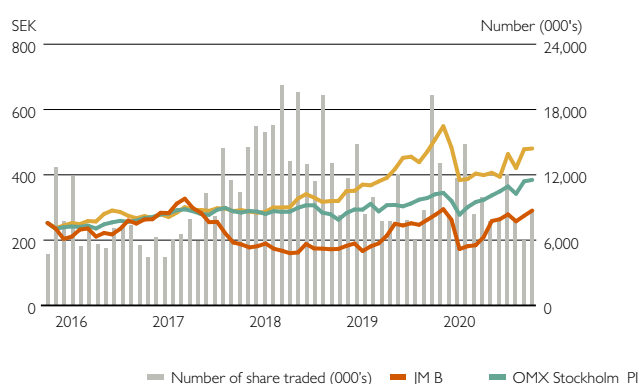
CHANGE IN SHARE CAPITAL 2016–2020

Year	Redemption repurchased shares, SEK m	Utilization convertible program, SEK m	Number of shares	Par value/ share	Share capital, SEK m
2016	–2.2	0.0	73,052,987	SEK 1	73.0
2017	–2.0	0.0	71,059,683	SEK 1	71.0
2018	–2.4	0.0	69,583,262	SEK 1	69.6
2019	0.0	0.0	69,583,262	SEK 1	69.6
2020	0.0	0.0	69,583,262	SEK 1	69.6



¹⁾ Of which approximately 21 % foreign ownership

SHARE PRICE DEVELOPMENT



SHARE DATA – SEGMENT REPORTING

SEK per share

	2020	2019	2018	2017	2016
Share price as of 12/31	290.60	277.40	173.00	186.90	263.20
Highest/lowest price paid during the year	313.30/153.50	282.90/162.35	212.60/144.55	336.50/184.20	263.20/179.40
Dividend yield as at 12/31 (%)	4.4	4.5	6.9	5.9	3.6
Market capitalization as at 12/31 (SEK m)	20,221	19,302	12,038	13,005	18,805
Diluted earnings per share	22.50	22.50	20.60	31.00	21.20
Development properties					
Market value	206	224	220	212	197
Carrying amount	113	128	119	108	100
Project properties					
Market value	24	25	29	19	12
Carrying amount	18	20	23	15	8
Interest-bearing net liabilities	-4	6	8	-11	6
Shareholders' equity (reported)	112	105	98	89	72
Dividend	12.75 ¹⁾	12.50	12.00	11.00	9.50
Dividend in % of earnings per share	57	56	58	35	45
P/E ratio as at 12/31	13	12	8	6	12
Number of shares as at 12/31	69,583,262	69,583,262	69,583,262	69,583,262 ²⁾	71,448,330 ³⁾
Average number of shares, basic	69,583,262	69,583,262	69,583,262	70,642,592	72,526,479
Average number of shares, diluted	70,061,421	69,595,557	69,836,391	70,844,023	72,725,820

¹⁾ Proposed by the Board of Directors

²⁾ 1,476,421 repurchased shares not included

³⁾ 1,604,657 repurchased shares not included

OWNERSHIP STRUCTURE AS AT 12/31/2020

Size of holding	Number of share-holders	% of all share-holders	Total number of shares owned	% of share capital
1–500	18,857	86.5	1,827,999	2.6
501–1,000	1,442	6.6	1,167,464	1.7
1,001–5,000	1,176	5.4	2,622,593	3.8
5,001–20,000	193	0.9	1,925,034	2.7
20,001–100,000	74	0.4	3,678,691	5.3
100,001–	54	0.2	58,361,481	83.9
Total	21,796	100.0	69,583,262	100.0

LARGEST SHAREHOLDERS

	Share capital, %	As per December 31, 2020: Number of shareholders 21,796. Number of shares 69,583,262.
OBOS BBL	20.1	As per December 31, 2020 approximately 47 percent of the total share capital was owned by foreign investors.
AMF Pension & Fonder	9.5	
Länsförsäkringar Fonder	6.1	
Swedbank Robur Fonder	5.6	
Dimensional Fund Advisors	3.0	
Handelsbanken Fonder	3.0	
Vanguard	2.7	
Lannebo Fonder	2.5	
AFA försäkring	2.5	
Candriam	2.4	
Other shareholders	42.6	Source: Monitor by Modular Finance AB. Compiled and processed data from various sources including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen) as at December 31, 2020. The numbers have been rounded.
Total	100.0	

JM's Annual General Meeting

Shareholders in JM AB are invited to attend the Annual General Meeting on Wednesday, March 24, 2021.

Due to the risk of the spread of COVID-19 and the authorities' regulations and general guidelines regarding the avoidance of gathering in groups, the general meeting will be held by absentee ballot pursuant to temporary legislation. There will be no physical meeting that can be attended in person or by proxy.

CONDITIONS FOR PARTICIPATION

A shareholder who would like to participate in the general meeting must (i) be entered in the register of shareholders maintained by Euroclear Sweden AB by Tuesday, March 16, 2021, and (ii) announce their intention to attend the general meeting no later than Tuesday, March 23, 2021, by having submitted an absentee ballot in accordance with the instructions under the heading Absentee Ballot below such that Computershare AB has received the advance vote no later than this date.

In order to be entitled to participate in the general meeting, a shareholder who has registered their shares in the name of a nominee, in addition to announcing their intention to participate in the general meeting, must request that their shares be registered in their own name so the shareholder is entered into the register of shareholders by March 16, 2021. This registration may be temporary (so-called voting right registration) and is requested with the nominee in accordance with the nominee's procedures and in advance as determined by the nominee. Voting right registrations completed no later than the second business day following March 16, 2021, are considered when preparing the shareholder register.

ABSENTEE BALLOT

A special form must be used for the absentee ballot. This form is available on the JM AB website, www.jm.se. The absentee ballot form serves as notification of intent to participate.

Computershare AB must have received the completed form no later than Tuesday, March 23, 2021. The form must be sent by

mail to Computershare AB, "JM AB's Annual General Meeting," Box 5267, 102 46 Stockholm, Sweden, or by email to info@computershare.se. Shareholders who are natural persons may also submit their absentee ballot electronically via JM AB's website, www.jm.se, with verification through BankID. If the shareholder submits an absentee ballot via proxy, the power of attorney must be attached to the form. If the shareholder is a legal person, the certificate of registration or other authorization document must be attached to the form. The shareholder may not add special instructions or conditions to the absentee ballot. If this occurs, the vote (i.e. the absentee ballot in its entirety) will be invalid. Additional instructions and conditions are presented on the absentee ballot form.

DIVIDEND

The Board of Directors proposes that a dividend of SEK 12.75 per share be paid to shareholders. The proposed record date for the dividend is Friday, March 26, 2021. If the Annual General Meeting resolves to adopt the proposal, the dividend will be sent by Euroclear Sweden AB on Wednesday, March 31, 2021.

FINANCIAL CALENDAR

March 24	Annual General Meeting (held by absentee ballot)
April 28	Interim report January–March 2021
July 13	Interim report January–June 2021
October 28	Interim report January–September 2021

The reports are available in Swedish and English at jm.se/investors. They can also be ordered from JM AB, Finance and Treasury, IR. Tel. +46 (0)8 782 87 00.

JM AB (publ), CIN 556045-2103, domiciled in Stockholm.

Accounting principles for sustainability, references and results

JM describes its work with sustainability and reports on fulfillment of financial, environmental and social goals and indicators through a sustainability report that is part of the annual report. The Sustainability Report has been prepared according to both GRI Standards at the core level and the requirements on sustainability reports in the Annual Accounts Act (1995:1554) and presents the achieved results for the accounting period given our commitments, strategies and sustainability governance. The aim of the report is to present, measure and take responsibility for what we have achieved in our work toward sustainable development with respect to both our internal and external stakeholders. Within JM's organization, the Sustainability Council, which is headed by the CEO, is responsible for the Sustainability Report. JM's Board of Directors issues the report.

SCOPE OF THE REPORT

The Sustainability Report refers to the 2020 financial year and encompasses the operations of the entire Group, including subsidiaries. JM's ambition is to provide a comprehensive account of its sustainability work and clearly present both negative and positive developments. The sustainability work draws on the policies and guidelines governing the manner in which the business is conducted based on our collaborations, for example Global Compact. We perform a materiality analysis to determine the issues that are most important and thus should be included in the work and the report taking into consideration JM's operations and our external and internal stakeholders. The GRI Indicators that are included in the report are listed with a page reference in a GRI index on pages 141–143.

More detailed information regarding calculation models, standards, limitations and assumptions used in the report are available at jm.se/sustainability.

MATERIALITY ANALYSIS

The materiality analysis is a method used to identify the issues within sustainability that are essential for the Company. It is based on a compilation of information from in-depth interviews with key staff members, survey responses from identified stakeholders, internal investigations and standards, de facto standards and legislative requirements in the area of sustainability. The information is evaluated based on the opportunities and risks for long-term value creation both within JM and in our surroundings. The results of the analysis are called JM's significant sustainability aspects. These form the basis for our sustainability work and what is reported.

SUSTAINABILITY REPORT

JM presents its Sustainability Report for 2020 in accordance with the requirements set out in the Annual Accounts Act according to the following:

The company's business model	Value generation in JM's business (page 24–26)
Policies	JM's aspects and governance within sustainability (page 139)
Significant risks, risk management	Risks and opportunities (pages 32–37, 83)
Results	JM's Group-wide targets (page 41), Facts and KPIs (pages 140–141), Sustainable purchasing and supply chains (pages 54–55), Responsible decisions at all levels (page 56)

The Sustainability Report includes all of JM's subsidiaries.

Stockholm, February 12, 2021
Board of Directors

Auditor's statement on the statutory sustainability report

To the general meeting of the shareholders in JM AB, corporate identity number 556045-2103

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 on the pages set out above and for that it has been prepared in accordance with the Annual Accounts Act.

Scope of the examination

Our examination has been conducted in accordance with FAR's recommendation RevR 12 The auditor's statement on the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

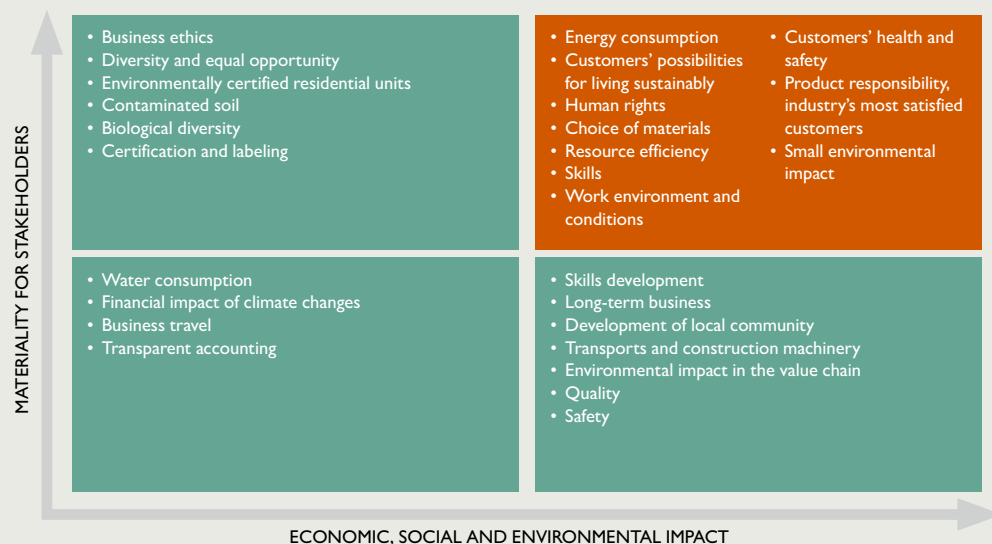
Opinion

A statutory sustainability report has been prepared.

Stockholm, February 19, 2021
PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Auditor-in-charge

Fredrik Kroon
Authorized Public Accountant



STAKEHOLDER ENGAGEMENT

Stakeholder group	How we work	Examples of important aspects	How important aspects are handled	Link to JM's material sustainability aspects
Customers – existing and potential	<ul style="list-style-type: none"> • Customer surveys • Customer meetings • Occupancy surveys • Focus groups • At-home interviews • Web panels • Strategic intelligence • Market surveys 	<ul style="list-style-type: none"> • Location • Safety and security • Good public transportation • Attractive green areas • Storage • Kitchen and bathroom • Choice of materials • Energy consumption 	These issues are handled in our project development process: <ul style="list-style-type: none"> • During land acquisition • During the planning process • During pre-construction • During purchasing 	<ul style="list-style-type: none"> • Product responsibility • Resource efficiency • Small environmental impact • Energy consumption
Employees – existing	<ul style="list-style-type: none"> • Personal development discussions • Code of Conduct game • Internal training, communication and dialogue • Employee survey • Work Environment Week • Improvement projects 	<ul style="list-style-type: none"> • Sustainability • Company culture and ethics • Skills development • Gender equality • Work environment and job satisfaction • Health • Benefits 	These issues are handled in our HR process: <ul style="list-style-type: none"> • Skills development • Work environment and health • Sustainability policy • JM's Code of Conduct • Ethical guidelines • Gender equality plan • Pension, insurance and other benefits 	<ul style="list-style-type: none"> • Ethics and value creation • Work environment • Diversity and equal opportunity • Skills • Resource efficiency • Small environmental impact
Employees – potential	<ul style="list-style-type: none"> • Internships • Trainee program • Thesis projects • Cooperation with schools and universities • Labor market days • Recruitment 	<ul style="list-style-type: none"> • Sustainability • Company culture and ethics • Skills development • Gender equality • Work environment and job satisfaction • Health • Benefits 	These issues are handled in our HR process: <ul style="list-style-type: none"> • Skills development • Work environment and health • Sustainability policy • JM's Code of Conduct • Ethical guidelines • Gender equality plan • Pension, insurance and other benefits 	<ul style="list-style-type: none"> • Diversity and equal opportunity • Skills • Small environmental impact
Shareholders and Investors	<ul style="list-style-type: none"> • One-on-one meetings • Telephone meetings • Analyst meetings • Ongoing communication • Capital Markets Day • Annual General Meeting • Annual report and Interim reports 	<ul style="list-style-type: none"> • Company and product development • Value creation • Investments • Risk management • Work environment • Environment and sustainability • Markets and customers • Business ethics • Long-term business 	These issues are handled in our communications planning	<ul style="list-style-type: none"> • Ethics and value creation • Product responsibility • Responsible suppliers • Work environment • Diversity and equal opportunity • Skills • Resource efficiency • Small environmental impact
Partners/ Suppliers	<ul style="list-style-type: none"> • Contract meetings • Supplier collaboration • Development projects • Questionnaires • Supplier inspections • Factory inspections • Workshops about the future • Urban Development days 	<ul style="list-style-type: none"> • Social responsibility in the supply chain • Hazardous substances • Resource efficiency • Waste management • Environmental impact • Work environment • Delivery precision • Quality • Cooperation • Development work • Business ethics • Long-term business 	These issues are handled in our purchasing process, our communications work and our process for sustainable supply chains	<ul style="list-style-type: none"> • Ethics and value creation • Product responsibility • Responsible suppliers • Work environment • Resource efficiency • Small environmental impact
Society – Officials and Politicians	<ul style="list-style-type: none"> • Municipal dialogues • Project meetings • Person-to-person meetings • Urban Development days • Mentor Sverige 	<ul style="list-style-type: none"> • Social sustainability • Climate and energy • Transports and logistics • Contaminated soils • Waste management • Green and blue structures • Urban development issues 	These issues are handled in our project development process: <ul style="list-style-type: none"> • During land acquisition • During the planning process • During pre-construction 	<ul style="list-style-type: none"> • Ethics and value creation • Product responsibility • Responsible suppliers • Work environment • Resource efficiency • Small environmental impact
Special interest organizations	<ul style="list-style-type: none"> • Business networks • Industry forums • Development projects • Membership • Ongoing dialogue 	<ul style="list-style-type: none"> • Climate and LCA • Certification and labeling • Chemicals and hazardous substances • Contaminated soils • Environmental issues 	These issues are handled by our cooperation work based on our sustainability policy and our sustainability strategy	<ul style="list-style-type: none"> • Product responsibility • Resource efficiency • Small environmental impact

JM's ASPECTS AND TARGETS IN SUSTAINABILITY

Material sustainability aspects	Why material	Scope of aspect	Governance	Follow-up	Follow-up through GRI indicator	Scope of GRI indicator
Ethics and value creation (Sustainability governance – financial performance)	JM's long-term profitability is fundamental for long-term value creation in JM	JM creates value and ensures responsibility in the supply chain, in its own operations and at subcontractors	Ethical guidelines Code of Conduct Targets Financial governance Risk management (see Risks and risk management) Incident reporting Tax policy	Economic reporting Incident reporting	201-1 Direct economic value generated and distributed	Value: Entire Group Ethics: Entire supplier chain
Product responsibility (Sustainability governance – marketing and labeling)	JM develops residential units and residential areas that have a long life cycle and many stakeholders. Therefore, it is important that JM take responsibility for its products given the expectations and requirements of the stakeholders	JM has an impact on the design of housing and residential areas. This impact arises in the supply chain, its own operations, at subcontractors and in operations and management	Sustainability policy Quality policy Sustainability targets Quality control Sales staff and interior designers for projects in ongoing dialogue with customers Operational and maintenance instructions Resident information Environmental documentation of material choices Customer surveys are conducted regularly and compiled on an annual basis (see Customer Needs) Aftermarket service that handles customer feedback Customer advocate	JM's operations program and KPIs	417-1 Requirements for product and service information and labeling	Proprietary housing development in the entire Group
Responsible suppliers (Sustainability governance – social assessment of suppliers)	JM buys and uses large quantities of materials and construction goods. It is strategically important that they are manufactured under responsible conditions	JM contributes to the impact in the role of employer and customer. The impact arises in the supply chain and at subcontractors	Sustainability policy Supplier Code of Conduct Sustainability targets JM's purchasing process JM's procedures for its sustainability assessment and sustainability audit	Sustainability assessment Sustainability audits	414-1 New suppliers that were screened using social criteria	Supply chains and subcontractors with framework agreements in the entire Group
Work environment (Sustainability governance – work environment and safety)	JM's building operations consist of a work environment that has many different risks for accidents and work-related injuries	JM is responsible for the design and coordination of its own construction sites, where risks and the impact arise	Employee policy Code of Conduct Sustainability targets JM's systematic work environment measures Environmental product database Anti-drug program at JM's workplaces Corporate health care	Accident and injury statistics Neatness and order audit Internal Audit	403-9 Types of injury and rates of injury, lost days, and absenteeism, and number of work-related fatalities	Sweden and Norway
Equal opportunity and diversity (Sustainability governance – diversity and equal opportunity)	A long-term personnel policy is based on the protection of equal opportunity and diversity	The impact arises in the entire supply chain. JM is responsible for the design of its own operations	Employee policy Code of Conduct Equality plan Sustainability targets Recruiting procedures	Mapping of equality	405-1 Diversity of governance bodies and employees	Entire Group
Competence (Sustainability governance – training)	We believe a long-term employee policy should be a workplace that allows people to develop and contribute to long-term value creation	JM's own operations	Employee policy Code of Conduct Sustainability targets Job structure Procedures for competence development	Registration of skills and skills development	404-2 Programs for upgrading employee skills and transition assistance programs	Entire Group
Resource efficiency (Sustainability governance – waste)	It is strategically important that JM's operations, which are material-intensive, strive to use resources efficiently	The impact arises in the entire supply chain, including contractors and customers. JM is responsible for the governance of its own operations	Environmental policy Sustainability targets JM's procedures for project design, purchasing and production management	Environmental KPIs Waste statistics	306-2 Waste by type and disposal method	Housing development in Sweden
Small climate impact (Sustainability governance – energy and emissions)	It is strategically important that JM's operations, which generate direct and indirect emissions of greenhouse gases, strive to have a minimal impact on the climate	The impact arises in the entire building's life cycle. JM is responsible for governance of its own operations and indirectly to suppliers and customers	Environmental policy Sustainability targets JM's procedures for project design, purchasing and production management	Environmental KPIs Climate calculations Fuel statistics Energy statistics	305-1 Direct GHG emissions (Scope 1) 305-2 Indirect GHG emissions (Scope 2) 305-3 Indirect GHG emissions (Scope 3) CRE1 Building energy intensity CRE3 Greenhouse gas emissions intensity from buildings CRE4 Greenhouse gas emissions intensity from new construction	Housing development in Sweden

FACTS AND KPIS FOR SUSTAINABILITY, CONT.

		2020	2019	2018
RESOURCE EFFICIENCY, Sweden, 306-2				
Construction waste to recycling	Tons (Part of)	6,453 (66 %)	7,022 (62 %)	6,277 (58 %)
Construction waste to incineration	Tons (Part of)	2,351 (24 %)	2,869 (26 %)	3,073 (29 %)
Construction waste to landfill	Tons (Part of)	312 (3 %)	338 (3 %)	439 (4 %)
Unsorted waste	Tons (Part of)	595 (6 %)	993 (9 %)	925 (9 %)
Hazardous waste	Tons (Part of)	14 (0.1 %)	25 (0.2 %)	37 (0.3 %)
Total amount of construction waste ¹⁾	Tons	9,725	11,247	10,751
SMALL CLIMATE IMPACT, Sweden				
JM's carbon dioxide emissions, 305-1, 305-2, 305-3	Tons CO ₂ e	Scope 1	3,301	4,241
		Scope 2	1,136	1,481
		Scope 3 ²⁾	10,029	13,161
		Total	14,466	18,883
Newly produced homes' carbon dioxide emissions from energy consumption, CRE3	Kg CO ₂ e/m ² Atemp and year	2	2	2
Carbon dioxide intensity from new production, CRE4	Tons CO ₂ e/turnover (SEK m)	0.9	0.9	1.3
Carbon dioxide intensity from new production, CRE4	Tons CO ₂ e/produced residential unit	5.95	6.00	6.58
Newly produced homes' estimated energy consumption, CRE1	kWh/m ² Atemp	59	55	56

¹⁾ Statistics from our waste contractors. The waste is classified by the waste contractor and reported in fractions in accordance with the Swedish Construction Federation's guidelines for waste sorting.

²⁾ JM includes in Scope 3 material transports to worksites, rented machinery, business travel and energy consumption in our newly constructed residential units for the first two years. The emissions in Scope 3 in 2019 were corrected after review by a third party.

2020 GRI Index

The intention of the GRI Index is to provide a cross-reference list to find where in the Annual Report the information is located. In some cases, supplementary or complete answers to a question are provided in the comment field of the index table. The information in the Sustainability Report has not been reviewed by a

third party. However, calculations of carbon dioxide emissions were reviewed by an external party within the framework of the Haga Initiative. Other calculations of indicators and KPIs have not been reviewed by an external party.

STANDARD DISCLOSURES

GRI code	Description/indicator	Reference (page number in the 2020 Annual Report)	External audit
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	77	
102-2	Activities, brands, products, and services	9–16	
102-3	Location of headquarters	Inside of the cover	
102-4	Location of operations	9–11	
102-5	Ownership and legal form	134–135	
102-6	Markets served	58–62	
102-7	Scale of the organization	77–83	
102-8	Information on employees and other workers	48–53, 96, 140	
102-9	Supply chain	54–55	
102-10	Significant changes to the organization and its supply chain	54–55	
102-11	Precautionary principle or approach	39	
102-12	External initiatives that the organization supports or is part of	39–40	
102-13	Membership of associations	40	
STRATEGY			
102-14	Statement from senior decision-maker	2–3	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	54–56	
GOVERNANCE			
102-18	Governance structure	37, 122–131	

GRI code	Description/indicator	Reference (page number in the 2020 Annual Report)	External audit
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	138	
102-41	Collective bargaining agreements	All employees in Sweden and Finland and 38% in Norway	
102-42	Identifying and selecting stakeholders	39, 138	
102-43	Approach to stakeholder engagement	39	
102-44	Key topics and concerns raised	138	
REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	101	
102-46	Defining report content and topic boundaries	39, 137, 139	
102-47	List of material topics	137–139	
102-48	Restatements of information	–	
102-49	Changes in reporting	–	
102-50	Reporting period	77	
102-51	Date of most recent report	Annual Report 2019, published in 2020	
102-52	Reporting cycle	137	
102-53	Contact point for questions regarding the report	Maria Sandell, Head of Sustainability, JM AB	
102-54	Claims of reporting in accordance with the GRI Standards	137	
102-55	GRI content index	141–143	
102-56	External assurance	141	
ECONOMIC PERFORMANCE INDICATORS			
GRI 201	Economic performance		
201-1	Direct economic value generated and distributed	84–87, 140	
GRI 103	Management approach	24–25, 39, 139	
ENVIRONMENTAL PERFORMANCE INDICATORS			
GRI 302	Energy		
CRE1	Building energy intensity	47, 141	
GRI 103	Management approach	24–25, 39, 139	
GRI 305	Emissions		
CRE3	GHG emission intensity from buildings	141	Yes
CRE4	GHG emission intensity from building process	141	Yes
305-1	Direct GHG emissions (Scope 1)	141	Yes
305-2	Direct GHG emissions (Scope 2)	141	Yes
305-3	Other indirect emissions (Scope 3)	141	Yes
GRI 103	Management approach	24–25, 39, 139	
GRI 306	Waste		
306-2	Waste by type and disposal method	44–47, 141	
GRI 103	Management approach	24–25, 39, 139	
SOCIAL PERFORMANCE INDICATORS			
GRI 403	Occupational health and safety		
403-1, CRE6	Occupational health and safety management system	51–53	
403-2	Hazard identification, risk assessment, and incident investigation	51–53	
403-3	Occupational health service	51–53	
403-4	Worker participation, consultation, and communication on occupational health and safety	51–53	
403-5	Worker training on occupational health and safety	51–53	
403-6	Promotion of worker health	51–53	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	51–53	
403-9	Work-related injuries	53, 140	
GRI 103	Management approach	24–25, 39, 139	

GRI code	Description/indicator	Reference (page number in the 2020 Annual Report)	External audit
GRI 404	Training and education		
404-2	Programs for upgrading employee skills and transition assistance programs	48–53	
GRI 103	Management approach	24–25, 39, 139	
GRI 405	Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	44, 126–127, 132–133, 140	
GRI 103	Management approach	24–25, 39, 139	
GRI 414	Supplier social assessment		
414-1	New suppliers that were screened using social criteria	54–55	
GRI 103	Management approach	24–25, 39, 139	
GRI 417	Marketing and labeling		
417-1	Requirements for product and service information and labeling	46–47, 54–55	
GRI 103	Management approach	24–25, 39, 139	

Global Compact

JM has signed the UN's Global Compact initiative, thus taking a clear stand on issues related to human rights, labor law, accountability for the environment and anti-corruption.

Ten principles of the UN's Global Compact	Reference
HUMAN RIGHTS	Pages 54–56
1. Support and respect the protection of internationally proclaimed human rights in the spheres the company can influence	
2. Make sure that the company is not complicit in human rights abuses	
LABOR LAW	Pages 48–56
3. Uphold freedom of association and the effective recognition of the right to collective bargaining	
4. Elimination of all forms of forced and compulsory labor	
5. Effective abolition of child labor	
6. Elimination of discrimination in respect of employment and occupation	
ENVIRONMENT	Pages 39, 42–47
7. Support a precautionary approach to environmental challenges	
8. Undertake initiatives to promote greater environmental responsibility	
9. Encourage the development and diffusion of environmentally friendly technologies	
ANTI-CORRUPTION	Pages 54–56
10. Work against corruption in all its forms, including extortion and bribery	

Addresses

MAIN OFFICE AND STOCKHOLM OFFICE

JM AB

SE-169 82 Stockholm
Visiting address: Gustav III:s boulevard 64, Solna
Tel. +46 8 782 87 00
www.jm.se

SWEDISH OFFICES

Stockholm

SE-169 82 Stockholm
Visiting address: Gustav III:s boulevard 64, Solna
Tel. +46 8 782 87 00

Uppsala

Box 1334, SE-751 43 Uppsala
Visiting address: Sylveniusgatan 2
Tel. +46 18 66 03 00

Linköping

Gjuterigatan 5, SE-582 73 Linköping
Tel. +46 13 37 14 00

Västerås

Kopparbergsvägen 8, SE-722 13 Västerås
Tel. +46 21 81 20 00

Örebro


Vasastrand 11, SE-703 54 Örebro
Tel. +46 19 764 15 10


Gothenburg


Odinsgatan 13, SE-411 03 Gothenburg
Tel. +46 31 703 57 00

Malmö


Navigationsgatan 1 A, SE-211 20 Malmö
Tel. +46 40 16 56 00

 Facebook:
@jmsverige

 Instagram:
@jmsverige

 LinkedIn:
JM

 Twitter:
@JM_AB

 Youtube:
JM Sverige

SUBSIDIARIES SWEDEN

AB Borätt

Box 6048, SE-171 06 Solna
Visiting address: Rosenborgsgatan 12, Solna
Tel. +46 8 626 66 30
www.boratt.se

Seniorgården AB


Box 6048, SE-171 06 Solna
Visiting address: Rosenborgsgatan 12, Solna
Tel. +46 8 626 66 30
www.seniorgarden.se

JM Entreprenad AB

SE-169 82 Stockholm
Visiting address: Rosenborgsgatan 12, Solna
Tel. +46 8 782 87 00
www.jm-entreprenad.se

JM@Home AB

SE-169 82 Stockholm
Visiting address: Rosenborgsgatan 12, Solna
Tel. +46 8 782 87 00


 LinkedIn:
Seniorgården AB
JM Entreprenad AB
JM@Home AB

SUBSIDIARIES INTERNATIONAL


Norway:


JM Norge AS

Postboks 453
N-1327 Lysaker
Visiting address: Mustads vei 1, N-0283 Oslo
Tel. +47 67 17 60 00
www.jm.no

 Facebook:
@jmnorge

 Instagram:
@jmnorge


 LinkedIn:
JM Norge AS


 Youtube:
JM Norge AS

Finland:

JM Suomi Oy

Hevosenkä 3
FI-02600 Espoo
Tel. +358 2 0743 0777
www.jmsuomi.fi

 Facebook:
@jmsuomi

 Instagram:
@jmsuomi



Production: JM and Lindermyr Produktion
Text: JM, Evidens and Oskar Hammarkrantz
Graphic design: ANR BBDO

Repro and final art: Bildrepro and Hallvarsson & Halvarsson
Photo/illustrations: Sandra Birgersdotter-Ek, Carbonwhite,
Diakrit, EttElva Arkitekter, Johan Forsberg, Getty Images,
Richard Hammarskiöld, Mattias Hamrén, Kristoffer Johnsson,
Gustav Kaiser, Magnus Liam Karlsson, Sabina Lindberg, Tomas Lindell,
Pixerymedia, Sightline Vision, Teknikspränget, wec360° and JM.
Printing: Ätta.45 Tryckeri AB, 2021
Paper: Invercote Creato 260g/Galerie Art Matt 150g

